PFIZER REPORTS FOURTH-QUARTER AND FULL-YEAR 2019 RESULTS

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PROVIDES 2020 FINANCIAL GUIDANCE

Full-Year 2019 Revenues of $51.8 Billion, Reflecting 1% Operational Decline; Excluding the Impact from Consumer Healthcare(1), Revenues Increased 2% Operationally – 8% Operational Growth from Biopharma, Primarily Driven by Ibrance, Eliquis, Xeljanz and Vyndaqel as well as 14% Operational Growth in Emerging Markets – 16% Operational Decline from Upjohn, Primarily Due to U.S. Loss of Exclusivity of Lyrica in 2019 Fourth-Quarter 2019 Revenues of $12.7 Billion, Reflecting 8% Operational Decline; Excluding the

Impact from Consumer Healthcare(1), Revenues Declined 1% Operationally – 9% Operational Growth from Biopharma; 32% Operational Decline from Upjohn Full-Year 2019 Reported Diluted EPS(2) of $2.87, Adjusted Diluted EPS(3) of $2.95; Fourth-Quarter 2019 Reported LPS(2) of $0.06, Adjusted Diluted EPS(3) of $0.55 Provides Full-Year 2020 Financial Guidance for Total Company(4), New Pfizer(5) and Upjohn(6) – Total Company(4) Revenue Guidance of $48.5 to $50.5 Billion, Adjusted Diluted EPS(3) of $2.82 to $2.92 (Assumes Full-Year 2020 Contribution from Biopharma and Upjohn and No 2020 Share Repurchases) – Midpoint of New Pfizer(5) Revenue Guidance Range Implies 8% Operational Growth Compared to 2019

NEW YORK--(BUSINESS WIRE)-- Pfizer Inc. (NYSE: PFE) reported financial results for fourth-quarter and full-year 2019 and provided 2020 financial guidance.

Results for the fourth quarter and the full year of 2019 and 2018(7) are summarized below.

OVERALL RESULTS

($ in millions, except

per share amounts)

Fourth-Quarter

Full-Year

2019

2018

Change

2019

2018

Change

Revenues

$

12,688

$

13,976

(9

%)

$

51,750

$

53,647

(4

%)

Reported Net Income/(Loss)(2)

(337

)

(394

)

(14

%)

16,273

11,153

46

%

Reported Diluted EPS/(LPS)(2)

(0.06

)

(0.07

)

(9

%)

2.87

1.87

54

%

Adjusted Income(3)

3,108

3,749

(17

%)

16,733

17,477

(4

%)

Adjusted Diluted EPS(3)

0.55

0.63

(13

%)

2.95

2.92

1

%

REVENUES

($ in millions)

Fourth-Quarter

Full-Year

2019

2018

% Change

2019

2018

% Change

Total

Oper.

Total

Oper.

Biopharma

$

10,532

$

9,820

7

%

9

%

$

39,419

$

37,558

5

%

8

%

Upjohn

2,156

3,182

(32

%)

(32

%)

10,233

12,484

(18

%)

(16

%)

Consumer Healthcare(1)

—

974

(100

%)

(100

%)

2,098

3,605

(42

%)

(40

%)

Total Company

$

12,688

$

13,976

(9

%)

(8

%)

$

51,750

$

53,647

(4

%)

(1

%)

Acquisitions and the contribution of Pfizer’s Consumer Healthcare business to the GSK Consumer Healthcare joint venture (JV) that were completed during 2019 impacted financial results in the periods presented(1). Some amounts in this press release may not add due to rounding. All percentages have been calculated using unrounded amounts. References to operational variances pertain to period-over-period growth rates that exclude the impact of foreign exchange(8).

2020 FINANCIAL GUIDANCE(9)

2020 financial guidance for Total Company(4) is presented below. Total Company(4) financial guidance reflects a full year of revenue and expense contributions from Biopharma and Upjohn.

Revenues

$48.5 to $50.5 billion

Adjusted Cost of Sales(3) as a Percentage of Revenues

19.9% to 20.9%

Adjusted SI&A Expenses(3)

$12.0 to $13.0 billion

Adjusted R&D Expenses(3)

$8.1 to $8.5 billion

Adjusted Other (Income)/Deductions(3)

Approximately $800 million of income

Effective Tax Rate on Adjusted Income(3)

Approximately 15.0%

Adjusted Diluted EPS(3)

$2.82 to $2.92

Financial guidance for Adjusted diluted EPS(3) assumes no share repurchases in 2020.

A reconciliation of Pfizer’s full-year 2019 revenues to 2019 revenues excluding the partial-year revenue contribution from the Consumer Healthcare(1) segment is presented below. Also presented below is a comparison of full-year 2019 results excluding the revenue contribution from the Consumer Healthcare(1) segment to Pfizer’s 2020 Total Company(4) financial guidance for revenues and Adjusted diluted EPS(3) at 2019 foreign exchange rates and at mid-January 2020 foreign exchange rates.

Full-Year 2019 Results

2019 Revenues Generated from Consumer Healthcare(1) Segment

2019 Results Excluding Consumer Healthcare(1) Revenues

2020 Financial Guidance at 2019 FX Rates

Impact of Mid- January 2020 FX Rates Compared to 2019 FX Rates

2020 Total Company(4) Financial Guidance

Revenues ($ in billions)

$51.8

($2.1)

$49.7

$48.7 to $50.7

($0.2)

$48.5 to $50.5

Adjusted Diluted EPS(3)

$2.95

—

$2.95

$2.84 to $2.94

($0.01)

$2.82 to $2.92

Upon the closing of the Consumer Healthcare JV transaction(1) in third-quarter 2019, Pfizer deconsolidated its Consumer Healthcare segment, which resulted in a shift from recording revenue and expense contributions from the Consumer Healthcare segment to Pfizer recording its pro rata share of the earnings generated by the Consumer Healthcare JV(1) in Adjusted other (income)/deductions(3) on a one-quarter lag. Therefore, full-year 2019 revenues reflect seven months of Consumer Healthcare segment domestic operations and eight months of Consumer Healthcare segment international operations. Full-year 2019 Adjusted diluted EPS(3) likewise reflects seven months of domestic segment operations and eight months of international segment operations as well as Pfizer's pro rata share of two months of the Consumer Healthcare JV's earnings generated in third-quarter 2019, which were recorded in Pfizer's Adjusted other (income)/deductions(3) in fourth-quarter 2019.

2020 financial guidance for Total Company(4) Adjusted other (income)/deductions(3) and Adjusted diluted EPS(3) reflects Pfizer's share of the JV's earnings that were generated in fourth-quarter 2019 (to be recorded by Pfizer in first-quarter 2020) as well as Pfizer's share of the JV's projected earnings during the first three quarters of 2020.

Shift from Biopharma to Upjohn of Meridian Medical Technologies (Meridian) and the Pfizer-Mylan Strategic Collaboration in Japan (Mylan-Japan)(10)

Beginning in 2020, Upjohn began managing Pfizer’s Meridian subsidiary, the manufacturer of EpiPen and other auto-injector products, and the Mylan-Japan collaboration for generic drugs in Japan (established in 2012). As a result, revenues and expenses associated with Meridian and Mylan-Japan will be reported in Pfizer’s Upjohn business beginning in first-quarter 2020. In 2019, revenues from Meridian and Mylan-Japan were recorded in Pfizer’s Biopharma business and totaled $598 million, flat operationally, compared with full-year 2018.

2020 Financial Guidance for New Pfizer(5)

Revenues

$40.7 to $42.3 billion

Adjusted IBT Margin(11)

Approximately 37.0%

Adjusted Diluted EPS(3)

$2.25 to $2.35

Operating Cash Flow

$11.0 to $12.0 billion

A reconciliation of the updated 2020 financial guidance for New Pfizer(5) to the 2020 preliminary financial targets provided in July 2019 is presented below (columns may not add due to rounding).

($ billions, except per share amounts and percentages)

Financial Targets Provided in July 2019 (at Mid-January 2019 FX Rates)

Operational Improvements Since July 2019

Guidance Reflecting Operational Improvements Since July 2019

Impact of Shift in Reporting of Meridian and Mylan-Japan to Upjohn

Guidance Excluding Meridian and Mylan-Japan

Impact of Mid-January 2020 FX Rates vs. Mid- January 2019 FX Rates

2020 New Pfizer(5) Financial Guidance

Revenues

Approx $40.0

$1.8 to $3.3

$41.8 to $43.3

($0.6)

$41.2 to $42.7

($0.6)

$40.7 to $42.3

Adjusted

IBT Margin(11)

Mid-30%s

200 bps

Approx 37.0%

--

Approx 37.0%

--

Approx 37.0%

Adjusted Diluted EPS(3)

--

--

$2.31 to $2.41

($0.02)

$2.29 to $2.39

($0.05)

$2.25 to $2.35

Operating

Cash Flow

$11.0 to $12.0

$0.4

$11.4 to $12.4

($0.2)

$11.2 to $12.2

($0.2)

$11.0 to $12.0

The midpoint of the revenue guidance range implies 8% volume-driven operational growth compared to full-year 2019 Biopharma revenues, adjusted to exclude the 2019 revenue contribution from Meridian and Mylan-Japan.

2020 Financial Guidance for Upjohn(6)

2020 financial guidance for Upjohn(6) now reflects the inclusion of revenues and expenses associated with Meridian and Mylan-Japan, which were previously recorded in Pfizer’s Biopharma business. Except for the shift of Meridian and Mylan-Japan from Biopharma to Upjohn, there are no operational changes to Upjohn’s 2020 financial guidance(6) compared with the preliminary financial targets that were provided in July 2019.

Revenues

$8.0 to $8.5 billion

Adjusted EBITDA(12)

$3.8 to $4.2 billion

A reconciliation of the updated 2020 financial guidance for Upjohn(6) to the 2020 preliminary financial targets provided in July 2019 is presented below (columns may not add due to rounding).

($ in billions)

Financial Targets Provided in July 2019 (at Mid-January 2019 FX Rates)

Guidance Unchanged Since July 2019

Impact of Shift in Reporting of Meridian and Mylan-Japan to Upjohn

Guidance Including Meridian and Mylan-Japan

Impact of Mid-January 2020 FX Rates Compared to Mid-January 2019 FX Rates

2020 Upjohn(6) Financial Guidance

Revenues

$7.5 to $8.0

$7.5 to $8.0

$0.6

$8.1 to $8.6

($0.1)

$8.0 to $8.5

Adjusted EBITDA(12)

$3.8 to $4.1

$3.8 to $4.1

$0.1

$3.9 to $4.3

($0.1)

$3.8 to $4.2

The midpoint of the revenue guidance range implies 23% operational decline compared to full-year 2019 Upjohn revenues, adjusted to include Meridian and Mylan-Japan.

CAPITAL ALLOCATION

During full-year 2019, Pfizer returned $16.9 billion directly to shareholders, through a combination of: – $8.0 billion of dividends, composed of quarterly dividends of $0.36 per share of common stock; and – $8.9 billion of share repurchases, composed of $2.1 billion of open-market share repurchases in first-quarter 2019 and a $6.8 billion accelerated share repurchase agreement executed in February 2019 and completed in August 2019. The full-year 2019 diluted weighted-average shares used to calculate earnings per common share was 5,675 million shares, a reduction of 302 million shares compared to full-year 2018. As of January 28, 2020, Pfizer’s remaining share repurchase authorization was $5.3 billion. No share repurchases are currently planned in 2020.

EXECUTIVE COMMENTARY

Dr. Albert Bourla, Pfizer’s Chairman and Chief Executive Officer, stated, “2019 was a busy year, highlighted by solid financial performance, shareholder-friendly capital allocation, the strengthening of our pipeline as well as the formation of the Consumer Healthcare JV with GSK. We also announced a definitive agreement to combine Upjohn and Mylan to create a new global pharmaceutical company, Viatris, marking an important milestone in Pfizer’s evolution toward becoming a more focused, global leader in innovative medicines.

“2020 is expected to be an exciting year for Pfizer with the close of the Upjohn-Mylan transaction anticipated by mid-year, leaving New Pfizer positioned to deliver revenue and Adjusted diluted EPS(3) growth that is expected to be among the industry leaders. New Pfizer will be a smaller, science-based company with a singular focus on innovation while also continuing to allocate significant capital directly to shareholders, primarily through

dividends.

“For New Pfizer, we expect important clinical data readouts across our early-, mid- and late-stage pipeline. In the first half of 2020, we expect to report pivotal top-line results for the JADE Compare study for abrocitinib (PF-04965842), our Janus kinase-1 (JAK1) inhibitor for moderate-to-severe atopic dermatitis (AD), for three Phase 3 trials of PF-06482077, our 20-valent pneumococcal conjugate vaccine candidate in adults aged 18 and older, and for Xeljanz in ankylosing spondylitis, in addition to the potentially registration-enabling Phase 2 ANCHOR study evaluating the combination of Braftovi, Mektovi and cetuximab for the first-line treatment of BRAFV600E-mutant metastatic colorectal cancer. We also expect data in the first half of 2020 for promising earlier-stage opportunities, including proof-of-concept readouts for PF-06939926, our mini-dystrophin gene therapy candidate for Duchenne muscular dystrophy, for PF-06928316, our prophylactic vaccine candidate for the prevention of respiratory syncytial virus infection, and for PF-06700841, an investigational topical TYK2/ JAK1 dual inhibitor for psoriasis and AD.

“In the second half of 2020, we look forward to top-line results for the Phase 3 PENELOPE-B study of Ibrance in early-stage breast cancer as well as for proof-of-concept readouts for PF-06651600, our dual JAK3/ TEC inhibitor as a potential treatment for vitiligo, for PF-06700841 for potential treatment of psoriatic arthritis (PsA), and for PF-06826647, our investigational TYK2 inhibitor for psoriasis. In addition, we now expect the Phase 3 PALLAS study of Ibrance in early-stage breast cancer to complete in early 2021. In 2020, we are focused on accelerating the pipeline and building on the business momentum that we generated in 2019,” Dr. Bourla concluded.

Frank D’Amelio, Chief Financial Officer and Executive Vice President, Business Operations and Global Supply, stated, “I am pleased with our 2019 financial results, which met or exceeded all components of our financial guidance. Our Biopharma business generated 8% operational revenue growth, driven by strong growth from Ibrance, Eliquis, Xeljanz and Vyndaqel/Vyndamax. As expected, the Upjohn business declined 16% operationally, primarily reflecting the U.S. loss of exclusivity of Lyrica in July 2019. Excluding Lyrica in the U.S. and the impact of other recent product losses of exclusivity, Upjohn revenues declined 3% operationally in 2019. We also returned $16.9 billion directly to shareholders through share repurchases and dividends, demonstrating our continued commitment to returning capital to our shareholders.

“Today we also provided 2020 financial guidance for Total Company(4), New Pfizer(5) and Upjohn(6). The midpoint of the revenue guidance range for New Pfizer(5) implies 8% operational growth and reflects anticipated continued strong growth from certain in-line

brands such as Ibrance, Eliquis, Xeljanz, Xtandi and Inlyta, from recent and expected product launches such as Vyndaqel/Vyndamax, Braftovi, Mektovi and oncology biosimilars as well as from emerging markets. Since July 2019, several of the aforementioned products have performed better than we had anticipated and have generated strong momentum that we expect to continue in 2020. The midpoint of the revenue guidance range for Upjohn(6) implies a 23% operational decline, primarily reflecting expected declines for products that have recently lost marketing exclusivity and lower revenues from China due to the geographic expansion of the volume-based procurement (VBP) program to all Chinese provinces in 2020. Importantly, the financial guidance for Upjohn(6) remains unchanged on an operational basis from the preliminary financial targets that were provided in July 2019," Mr. D'Amelio concluded.

QUARTERLY FINANCIAL HIGHLIGHTS (Fourth-Quarter 2019 vs. Fourth-Quarter 2018)

Fourth-quarter 2019 revenues totaled $12.7 billion, a decrease of $1.3 billion, or 9%, compared to the prior-year quarter, reflecting an operational decline of $1.1 billion, or 8%, as well as the unfavorable impact of foreign exchange of $158 million, or 1%.

Biopharma Revenue Highlights

Fourth-quarter 2019 Biopharma revenues totaled $10.5 billion, up 9% operationally, primarily driven by:

Eliquis globally, up 22% operationally, primarily driven by continued increased adoption in non-valvular atrial fibrillation as well as oral anti-coagulant market share gains; Vyndaqel/Vyndamax global revenues were $213 million, driven by: – the U.S. launches of Vyndaqel in May 2019 and Vyndamax in September 2019 for the treatment of transthyretin amyloid cardiomyopathy (ATTR-CM); and – 180% operational growth in international markets, primarily driven by the March 2019 launch of the ATTR-CM indication in Japan and continued uptake for the transthyretin amyloid polyneuropathy indication in developed Europe; Ibrance globally, up 15% operationally, primarily driven by: – 14% growth in the U.S., primarily driven by cyclin-dependent kinase (CDK) class market share growth and Ibrance's continued CDK market share leadership in its approved metastatic breast cancer indications; and – 17% operational growth in international markets, reflecting continued strong uptake following launches primarily in certain emerging markets; the Hospital business in the U.S. and emerging markets, collectively up 8% operationally, primarily driven by continued growth from anti-infective products in China as well as the November 2018 U.S. launch of Panzyga and U.S. revenue growth from Pfizer CentreOne, Pfizer's contract manufacturing business; Prevenar 13 in emerging markets, up 27% operationally, primarily reflecting the overall favorable impact

of timing associated with government purchases for the pediatric indication compared with the prior-year quarter, as well as continued pediatric uptake in China; Inlyta in the U.S., up 249%, primarily driven by increased uptake resulting from the second-quarter 2019 U.S. Food and Drug Administration (FDA) approvals for combinations of certain immune checkpoint inhibitors plus Inlyta for the first-line treatment of patients with advanced renal cell carcinoma (RCC); Xeljanz globally, up 11% operationally, primarily driven by: – 44% operational growth in international markets, reflecting continued uptake in the rheumatoid arthritis (RA) indication as well as from the recent launch of the ulcerative colitis (UC) indication in certain developed markets; and – 1% growth in the U.S., reflecting continued volume growth from the 2018 launches of the UC and PsA offset by higher rebating from new commercial contracts; and Xtandi in the U.S., up 29%, primarily driven by continued uptake in the metastatic and non-metastatic castration-resistant prostate cancer indications,

partially offset primarily by lower revenues for:

Enbrel internationally, down 18% operationally, primarily reflecting continued biosimilar competition in most developed Europe markets; and Prevnar 13 in the U.S., down 7%, reflecting the continued decline in revenues for the adult indication due to a declining “catch up” opportunity compared to the prior-year quarter.
Upjohn Revenue Highlights

Fourth-quarter 2019 Upjohn revenues totaled $2.2 billion, down 32% operationally, primarily driven by the expected significant volume declines for Lyrica in the U.S. due to multi-source generic competition that began in July 2019. Excluding the unfavorable impact of Lyrica in the U.S. and other recent product losses of exclusivity, fourth-quarter 2019 revenues for Upjohn declined 6% operationally.

Fourth-quarter 2019 Upjohn revenues in China declined 1% operationally, primarily driven by declines for Lipitor and Norvasc in provinces where the VBP program has been implemented, partially offset by products not impacted by the VBP implementation, including Celebrex and Viagra, as well as operational growth from Lipitor and Norvasc in provinces were VBP had not been implemented.

GAAP Reported(2) Income Statement Highlights

SELECTED TOTAL COMPANY REPORTED COSTS AND EXPENSES(2)

($ in millions)

Fourth-Quarter

Full-Year

2019

2018

% Change

2019

2018

% Change

Total

Oper.

Total

Oper.

Cost of Sales(2)

$

2,608

$

3,075

(15%)

(17%)

$

10,219

$

11,248

(9%)

(7%)

Percent of Revenues

20.6

%

22.0

%

N/A

N/A

19.7

%

21.0

%

N/A

N/A

SI&A Expenses(2)

4,240

4,007

6%

7%

14,350

14,455

(1%)

1%

R&D Expenses(2)

2,822

2,457

15%

15%

8,650

8,006

8%

9%

Total

$

9,670

$

9,539

1%

1%

$

33,218

$

33,709

(1%)

—

(Gain) on Completion of Consumer Healthcare JV Transaction(1)

1

—

*

*

($8,086

)

—

*

*

Other (Income)/Deductions––net(2)

3,041

3,259

(7%)

(6%)

3,578

2,116

69%

73%

Effective Tax Rate on Reported Income(2)

*

*

7.8

%

5.9

%

* Indicates calculation not meaningful.

Fourth-quarter and full-year 2019 Cost of Sales(2), SI&A Expenses(2) and R&D Expenses(2) were favorably impacted by the July 31, 2019 completion of the Consumer Healthcare JV transaction with GSK(1).

Pfizer recorded lower other deductions––net(2) in fourth-quarter 2019 compared with the prior-year quarter, primarily driven by:

lower asset impairment charges of $2.7 billion in fourth-quarter 2019, primarily related to Eucrisa, which was acquired in connection with Pfizer’s 2016 acquisition of Anacor Pharmaceuticals, Inc., compared to asset impairment charges of $3.1 billion in fourth-quarter 2018, primarily associated with generic sterile injectable products acquired in connection with Pfizer’s 2015 acquisition of Hospira, Inc.; higher net gains on investments in equity securities; lower business and legal entity alignment costs; and lower net realized losses on sales of investments in debt securities,
partially offset primarily by:

higher charges for certain legal matters; higher pension and other post-retirement benefit costs; and higher net interest expense.
Pfizer’s effective tax rate on Reported income(2) for fourth-quarter 2019 compared to the prior-year quarter was favorably impacted primarily by:

benefits related to certain tax initiatives associated with the implementation of our new organizational structure; and a favorable change in the jurisdictional mix of earnings as a result of operating fluctuations in the normal course of business,
partially offset primarily by:

a decrease in tax benefits associated with the resolution of certain tax positions

pertaining to prior years primarily with various foreign tax authorities; and the non-recurrence of certain tax initiatives and favorable adjustments recorded in 2018 to the provisional estimate of the legislation in the U.S. commonly referred to as the Tax Cuts and Jobs Act.

In addition to the aforementioned factors impacting Pfizer’s effective tax rate on Reported income(2) for fourth-quarter 2019, Pfizer’s full-year 2019 effective tax rate on Reported income(2) compared to the prior year was impacted primarily by:

a tax benefit related to the settlement of a U.S. Internal Revenue Service audit for multiple tax years,
partially offset primarily by:

the tax expense associated with the $8.1 billion pre-tax gain recorded in third-quarter 2019 related to the completion of the Consumer Healthcare JV transaction with GSK(1).
Adjusted(3) Income Statement Highlights

SELECTED TOTAL COMPANY ADJUSTED COSTS AND EXPENSES(3)

($ in millions)

Fourth-Quarter

Full-Year

2019

2018

% Change

2019

2018

% Change

Total

Oper.

Total

Oper.

Adjusted Cost of Sales(3)

$ 2,600

$ 3,044

(15%)

(17%)

$ 10,030

$ 11,130

(10%)

(7%)

Percent of Revenues

20.5

%

21.8

%

N/A

N/A

19.4

%

20.7

%

N/A

N/A

Adjusted SI&A Expenses(3)

4,070

3,968

3%

4%

14,041

14,232

(1%)

1%

Adjusted R&D Expenses(3)

2,530

2,436

4%

4%

7,988

7,962

—

1%

Total

$ 9,200

$ 9,448

(3%)

(3%)

$ 32,059

$ 33,325

(4%)

(2%)

Adjusted Other (Income)/Deductions––net(3)

($97

)

$15

*

*

($300

)

($667

)

(55%)

(67%)

Effective Tax Rate on Adjusted Income(3)

11.3

%

15.4

%

15.0

%

15.4

%

Fourth-quarter 2019 diluted weighted-average shares outstanding used to calculate Adjusted(3) diluted EPS declined by 281 million shares compared to the prior-year quarter primarily due to Pfizer’s share repurchase program, reflecting the impact of share repurchases during 2018 and 2019, partially offset by dilution related to share-based employee compensation programs.

A full reconciliation of Reported(2) to Adjusted(3) financial measures and associated footnotes can be found starting on page 25 of the press release located at the hyperlink below.

FULL-YEAR REVENUE SUMMARY (Full-Year 2019 vs. Full-Year 2018)

Full-year 2019 revenues totaled $51.8 billion, a decrease of $1.9 billion, or 4%, compared to full-year 2018, reflecting an operational decline of $545 million, or 1%, and the unfavorable impact of foreign exchange of $1.4 billion, or 3%.

Biopharma Revenue Highlights

Full-year 2019 Biopharma revenues totaled $39.4 billion, up 8% operationally, primarily driven by:

continued uptake for Ibrance, Eliquis, Xeljanz and Vyndaqel/Vyndamax globally; Prevenar 13 in emerging markets; and Inlyta in the U.S.,

partially offset primarily by lower revenues for:

Enbrel internationally; and Prevnar 13 in the U.S.
Upjohn Revenue Highlights

Full-year 2019 Upjohn revenues totaled $10.2 billion, down 16% operationally, primarily driven by Lyrica in the U.S. due to multi-source generic competition that began in July 2019 and Viagra in the U.S. due to increased generic competition following its December 2017 patent expiration. Excluding the unfavorable impact of Lyrica in the U.S. and other recent product losses of exclusivity, full-year 2019 revenues for Upjohn declined 3% operationally.

Full-year 2019 Upjohn revenues in China grew 7% operationally, primarily driven by products not impacted by the VBP implementation, including Viagra, Celebrex, Zoloft and Lyrica, as well as by Lipitor and Norvasc in provinces where the VBP program had not been implemented, partially offset by revenue declines for Lipitor and Norvasc in provinces impacted by the March 2019 VBP program implementation.

Consumer Healthcare Revenue Highlights

Full-year 2019 revenues for Consumer Healthcare totaled $2.1 billion, down 40% operationally, reflecting the July 31, 2019 completion of the Consumer Healthcare JV transaction with GSK(1).

RECENT NOTABLE DEVELOPMENTS (Since October 29, 2019)

Product Developments

Abrilada/Amsparity (biosimilar adalimumab) – In December 2019, the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) adopted a positive opinion recommending the approval of Amsparity as a biosimilar to Humira®(13) (adalimumab) for the treatment of certain patients with RA, juvenile idiopathic arthritis, axial spondyloarthritis, PsA, psoriasis, hidradenitis suppurativa, Crohn's disease, UC, uveitis, and pediatric plaque psoriasis. The CHMP’s opinion is now under review by the European Commission (EC) with a final decision expected in the coming months. Pfizer does not currently plan to commercialize Amsparity in the EU should it be approved by the EC due to unfavorable market conditions. – In November 2019, Pfizer announced that the FDA has approved Abrilada (adalimumab-afzb) as a biosimilar to Humira®(13) (adalimumab), for the treatment of certain patients with RA, juvenile idiopathic arthritis, PsA, ankylosing spondylitis, adult Crohn's disease, UC and plaque psoriasis. Pfizer is working to make Abrilada available to U.S. patients as soon as

feasible based on the terms of its agreement with AbbVie. Current plans are to launch Abrilada in 2023. Bavencio (avelumab) – In January 2020, EMD Serono, the biopharmaceutical business of Merck KGaA, Darmstadt, Germany in the U.S. and Canada, and Pfizer announced that the Phase 3 JAVELIN Bladder 100 study met its primary endpoint of overall survival (OS) at a planned interim analysis. In this study, patients with previously untreated locally advanced or metastatic urothelial carcinoma whose disease did not progress on induction chemotherapy and who were randomized to receive first-line maintenance therapy with Bavencio and best supportive care (BSC) lived significantly longer than those who received BSC only. A statistically significant improvement in OS was demonstrated in the Bavencio arm in each of the co-primary populations: all randomized patients and patients with PD-L1–positive tumors. The safety profile for Bavencio in the trial was consistent with that in the JAVELIN monotherapy clinical development program. The results of this study will be submitted for presentation at an upcoming medical congress and shared with the FDA and other health authorities. – In November 2019, EMD Serono and Pfizer announced topline results of the Phase 3 JAVELIN Gastric 100 study evaluating avelumab as first-line maintenance therapy following induction chemotherapy in patients with unresectable, locally advanced or metastatic HER2-negative gastric or gastroesophageal junction cancer versus continuation of chemotherapy or BSC. While the study showed clinical activity for avelumab in this setting, it did not meet the primary endpoints of superior OS compared with the standard of care in the overall intent-to-treat population or the PD-L1–positive population. No new safety signals were observed, and the safety profile for avelumab in this trial was consistent with that observed in the overall JAVELIN clinical development program. The results of this study will be submitted for presentation at an upcoming medical congress. Braftovi (encorafenib) -- In December 2019, Pfizer announced that the FDA accepted and granted priority review to the company’s supplemental New Drug Application (sNDA) for Braftovi in combination with Erbitux®(14) (cetuximab) based on results from the Phase 3 BEACON CRC trial, which evaluated the efficacy and safety of Braftovi in combination with Erbitux with or without Mektovi (binimetinib) in patients with advanced BRAFV600E-mutant metastatic colorectal cancer (mCRC), following one or two lines of therapy. The sNDA has a Prescription Drug User Fee Act goal date for a decision by the FDA in April 2020. Eliquis (apixaban) -- In December 2019, the Bristol-Myers Squibb-Pfizer alliance announced results at the American Society of Hematology Annual Meeting (ASH Conference) for retrospective real-world data analyses reporting outcomes on the safety and effectiveness of Eliquis compared to low molecular weight heparin (LMWH) or warfarin for the treatment of venous thromboembolism (VTE) in patients with active cancer. Results from the primary analysis showed that Eliquis use was associated with lower rates of major bleeding, clinically-relevant non-major (CRNM) bleeding and

recurrent VTE compared to LMWH. Eliquis was also associated with a lower rate of recurrent VTE and similar rates of major bleeding and CRNM bleeding compared to warfarin. In a second oral presentation at the ASH Conference, results from a subgroup analysis of the primary study were highlighted based on different levels of risk for developing recurrent VTE. Study findings were generally consistent with the primary analysis. Vyndaqel (tafamidis) -- In December 2019, Pfizer announced that the CHMP of the EMA adopted a positive opinion recommending the approval of Vyndaqel, a once-daily 61 mg oral capsule, for the treatment of wild-type or hereditary transthyretin amyloidosis in adult patients with cardiomyopathy. The CHMP's opinion is now under review by the EC with a final decision expected in coming months. Xeljanz (tofacitinib) – In December 2019, Pfizer announced that the FDA approved Xeljanz XR extended-release 11 mg and 22 mg tablets for the once-daily treatment of adult patients with moderately to severely active UC, after an inadequate response or intolerance to TNF blockers. – In November 2019, Pfizer announced that the CHMP of the EMA adopted a final opinion following the re-evaluation of the benefit/risk of the three approved indications of Xeljanz in the European Union (EU). This re-evaluation was initiated following Pfizer's initial announcement regarding the increased occurrence of pulmonary embolism and an increase in overall mortality with Xeljanz 10 mg twice daily found in an ongoing postmarketing requirement study (A3921133) in RA patients 50 years of age or older with at least one cardiovascular risk factor. The CHMP opinion was forwarded to the EC which is expected to issue, by the end of January 2020 or in February 2020, a final legally binding decision applicable in all EU Member States. The EMA recommended that Xeljanz should be used with caution in patients at high risk of blood clots. In addition, maintenance doses of 10 mg twice daily are not recommended in patients with UC who are at high risk of blood clots unless there is no suitable alternative treatment. Five mg twice daily should not be exceeded for RA or PsA. Patients should be advised of the risk of VTE and should seek immediate medical treatment if symptoms develop during treatment. Further, the EMA is recommending that, due to increased risk of infections, patients older than 65 years of age should be treated with Xeljanz only when there is no suitable alternative treatment. The recommendations in this final CHMP opinion replace the provisional measures put in place at the start of the review in May 2019 which contraindicated the 10 mg twice daily dose of Xeljanz for patients at high risk of blood clots in the lungs. The CHMP is recommending removal of that contraindication. The changes come into force when the EC issues its decision. – In November 2019, Pfizer presented positive results from a Phase 3 investigational study of tofacitinib in children and adolescents aged two to less than 18 with polyarticular juvenile idiopathic arthritis (pa-JIA) during a late-breaking oral presentation at the American College of Rheumatology/Association of Rheumatology Professionals Annual Meeting. The trial met

its primary endpoint showing that in patients with pa-JIA, the occurrence of disease flare in patients treated with tofacitinib was significantly lower than patients treated with placebo at week 44. The most common adverse events in this study in any treatment group were upper respiratory tract infection, headache, nasopharyngitis, nausea, pyrexia, disease progression, vomiting and pa-JIA. There were no cases of death, major adverse cardiovascular events, malignancies, thrombosis, opportunistic infection or tuberculosis. Pfizer intends to submit regulatory applications for this indication in 2020. Xtandi (enzalutamide) -- In December 2019, Astellas Pharma Inc. and Pfizer announced that the FDA approved a sNDA for Xtandi for the treatment of patients with metastatic castration-sensitive prostate cancer (mCSPC). In 2019, it is estimated that just over 40,000 men in the U.S. are living with mCSPC, a form of prostate cancer that has spread to other parts of the body and still responds to a medical or surgical treatment that lowers testosterone.

Pipeline Developments

A comprehensive update of Pfizer’s development pipeline was published today and is now available at www.pfizer.com/science/drug-product-pipeline. It includes an overview of Pfizer’s 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.

PF-07055480 (SB-525) -- In December 2019, in a poster presentation at the ASH Conference, Sangamo Therapeutics, Inc. and Pfizer presented updated follow-up results from the Phase 1/2 Alta study evaluating investigational SB-525 gene therapy in patients with severe hemophilia A. The data showed that SB-525 was generally well tolerated and demonstrated sustained increased Factor VIII levels following treatment with SB-525 through to 44 weeks, the extent of follow-up for the longest treated patient in the 3e13 vg/kg dose cohort. In addition, the manufacturing technology transfer and the transfer of the Investigational New Drug application to Pfizer were completed in fourth-quarter 2019.

Corporate Developments

In December 2019, Pfizer and Theravance Biopharma Ireland Limited, a subsidiary of Theravance Biopharma, Inc. (Theravance Biopharma) announced that the companies have entered into a global license agreement for Theravance Biopharma’s preclinical program for skin-targeted, locally-acting pan-Janus kinase (JAK) inhibitors that can be rapidly metabolized. The compounds in this program target validated pro-inflammatory

pathways and are specifically designed to possess skin-selective activity with minimal systemic exposure. Under the terms of the agreement, Theravance Biopharma received an upfront cash payment of $10 million and is eligible to receive up to an additional $240 million in development and sales milestone payments from Pfizer. In addition, Theravance Biopharma will be eligible to receive royalties on worldwide net sales of any potential products emerging from the program. In December 2019, Pfizer and Mylan N.V. (Mylan) announced that Ian Read, Pfizer's former Chairman and Chief Executive Officer, and James Kilts, a Pfizer director since 2007, will join the board of directors of Viatris, the company to be formed by the planned combination of Mylan and Upjohn, upon completion of the transaction, which is anticipated to occur in mid-2020. As previously announced, upon the completion of the transaction, Robert J. Coury will serve as the Executive Chairman of the Viatris board and Michael Goettler, current Group President, Upjohn, will serve as Chief Executive Officer and board member. Also, as previously announced, Ian Read retired from Pfizer's board on December 31, 2019. James Kilts will cease being a member of Pfizer's board immediately upon the closing of the transaction. In December 2019, Pfizer announced plans to host an Investor Day to showcase the company's mid-to-late-stage R&D pipeline progress and commercial momentum across its Biopharma businesses, to be held on Tuesday, March 31, 2020 at its global headquarters in New York, NY. Pfizer business executives and scientific leadership will provide updates on the company's progress in advancing its R&D pipeline, specifically on product candidates with blockbuster potential that are expected to launch by 2025.

Please find Pfizer's press release and associated financial tables, including reconciliations of certain GAAP reported to non-GAAP adjusted information, at the following hyperlink: https://investors.pfizer.com/files/doc_financials/Quarterly/2019/q4/Q4-2019-PFE-Earnings-Release.pdf

(Note: If clicking on the above link does not open up a new web page, you may need to cut and paste the above URL into your browser's address bar.)

For additional details, see the associated financial schedules and product revenue tables attached to the press release located at the hyperlink referred to above and the attached disclosure notice.

(1)

The following acquisitions and divestitures impacted financial results for the periods presented:

On July 31, 2019, Pfizer and GlaxoSmithKline plc (GSK) completed a transaction that combined the two companies' respective consumer healthcare businesses into a joint venture (JV), operating under the GSK Consumer Healthcare name. In exchange for contributing its Consumer Healthcare business to the JV, Pfizer received a 32% equity stake in the JV and GSK owns the remaining 68% of the JV. Upon the closing of the transaction, Pfizer deconsolidated its Consumer Healthcare business and recognized a pre-tax gain of $8.1 billion ($5.4 billion net of tax) in third-quarter 2019, reflecting the difference in the fair value of Pfizer's 32% equity stake in the JV and the carrying value of its Consumer Healthcare business. In accordance with Pfizer's domestic and international reporting periods(7), Pfizer's financial results, and our Consumer Healthcare segment's operating results, for full-year 2019 reflect seven months of Consumer Healthcare segment domestic operations and eight months of Consumer Healthcare segment international operations. Pfizer records its share of earnings from the Consumer Healthcare JV on a quarterly basis on a one-quarter lag in Other (income)/deductions––net commencing from August 1, 2019. Therefore, Pfizer recorded its share of two months of the JV's earnings generated in third-quarter 2019 in Pfizer's operating results in fourth-quarter 2019. On July 30, 2019, Pfizer announced the successful completion of its acquisition of Array BioPharma Inc. (Array). Array's portfolio included the approved combined use of Braftovi (encorafenib) and Mektovi (binimetinib) for the treatment of BRAFV600E- or BRAFV600K- mutant unresectable or metastatic melanoma. On July 1, 2019, Pfizer announced the successful completion of its acquisition of the privately held clinical-stage biotechnology company, Therachon Holding AG.
(2)

Revenues is defined as revenues in accordance with U.S. generally accepted accounting principles (GAAP). Reported net income/(loss) is defined as net income/(loss) attributable to Pfizer Inc. in accordance with U.S. GAAP. Reported diluted earnings per share (EPS) and reported loss per share (LPS) are defined as diluted EPS or LPS attributable to Pfizer Inc. common shareholders in accordance with U.S. GAAP.

(3)

Adjusted income and its components and Adjusted diluted EPS are defined as reported U.S. GAAP net income/(loss)(2) and its components and reported diluted EPS/(LPS)(2) excluding purchase accounting adjustments, acquisition-related costs, discontinued operations and certain significant items (some of which may recur, such as gains on the completion of joint venture transactions, restructuring charges, legal charges or net gains and losses on investments in equity securities, but which management does not believe are reflective of ongoing core operations). Adjusted cost of sales, Adjusted selling, informational and administrative (SI&A) expenses, Adjusted research and development (R&D) expenses and Adjusted other (income)/deductions are income statement line items prepared on the same basis as, and therefore components of, the overall Adjusted income measure. As described in the Financial Review––Non-GAAP Financial Measure (Adjusted Income) section of Pfizer's 2018 Financial Report, which was filed as Exhibit 13 to Pfizer's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, management uses Adjusted income, among other factors, to set performance goals and to measure the performance of the overall company. Because Adjusted income is an important internal measurement for Pfizer, management believes that investors' understanding of our performance is enhanced by disclosing this performance measure. Pfizer reports Adjusted income, certain components of Adjusted income, and Adjusted diluted EPS in order to portray the results of the company's major operations––the discovery, development, manufacture, marketing and sale of prescription medicines and vaccines––prior to considering certain income statement elements. See the accompanying reconciliations of certain GAAP Reported to Non-GAAP Adjusted information for the fourth quarter and full year of 2019 and 2018. The Adjusted income and its components and Adjusted diluted EPS measures are not, and should not be viewed as, substitutes for U.S. GAAP net income and its components and diluted EPS.

(4)

Financial guidance for Total Company reflects a full-year 2020 contribution from Biopharma and Upjohn, the current construct of the company, and excludes any impact from the pending Upjohn combination with Mylan.

(5)

Financial guidance for New Pfizer reflects a full-year 2020 pro forma view of the company assuming the pending Upjohn combination with Mylan was completed at the beginning of 2020. Therefore, New Pfizer reflects contributions from the Biopharma business as it is presently being managed, which excludes contributions from Pfizer's Meridian subsidiary and the Pfizer-Mylan strategic collaboration in Japan (Mylan-Japan). Pfizer's Meridian subsidiary and Mylan-Japan were managed by Pfizer's Biopharma business in 2019. Financial guidance for New Pfizer also includes the full-year effect of the following items that assume the completion of the Upjohn combination with Mylan:

$12 billion of net proceeds from Upjohn to be retained by Pfizer, which Pfizer will use to repay its own existing indebtedness; and other transaction-related items, such as income from transition services agreements between Pfizer and Viatris. In addition, 2020 financial guidance for New Pfizer Adjusted IBT Margin(11) and Adjusted diluted EPS(3) reflects Pfizer's share of the earnings generated by the Consumer Healthcare JV(1) in fourth-quarter 2019 (to be recorded by Pfizer in first-quarter 2020) as well as Pfizer's share of the JV's projected earnings during the first three quarters of 2020.
(6)

Financial guidance for Upjohn assumes a full-year 2020 contribution from the Upjohn business as it is presently being managed, which includes contributions from Pfizer's Meridian subsidiary and the Pfizer-Mylan strategic collaboration in Japan (Mylan-Japan). Pfizer's Meridian subsidiary and Mylan-Japan were managed by Pfizer's Biopharma business in 2019.

(7)

Pfizer's fiscal year-end for international subsidiaries is November 30 while Pfizer's fiscal year-end for U.S. subsidiaries is December 31. Therefore, Pfizer's fourth quarter and full year for U.S. subsidiaries reflects the three and twelve months ending on December 31, 2019 and December 31, 2018 while Pfizer's fourth quarter and full year for subsidiaries operating outside the U.S. reflects the three and twelve months ending on November 30, 2019 and November 30, 2018.

(8)

References to operational variances in this press release pertain to period-over-period growth rates that exclude the impact of foreign exchange. The operational variances are determined by multiplying or dividing, as appropriate, the current period U.S. dollar results by the current period average foreign exchange rates and then multiplying or dividing, as appropriate, those amounts by the prior-year period average foreign exchange rates. Although exchange rate changes are part of Pfizer’s business, they are not within Pfizer’s control. Exchange rate changes, however, can mask positive or negative trends in the business; therefore, Pfizer believes presenting operational variances provides useful information in evaluating the results of its business.

(9)

Pfizer does not provide guidance for GAAP Reported financial measures (other than revenues) or a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable GAAP Reported financial measures on a forward-looking basis because it is unable to predict with reasonable certainty the ultimate outcome of pending litigation, unusual gains and losses, acquisition-related expenses, net gains or losses on investments in equity securities and potential future asset impairments without unreasonable effort. These items are uncertain, depend on various factors, and could have a material impact on GAAP Reported results for the guidance period.

The 2020 financial guidance for Total Company reflects the following:

Does not assume the completion of any business development transactions not completed as of December 31, 2019, including any one-time upfront payments associated with such transactions. Includes Pfizer’s pro rata share of the Consumer Healthcare JV(1) anticipated earnings, which is recorded in Adjusted other (income)/deductions(3) on a one-quarter lag. Therefore, 2020 financial guidance for

Adjusted other (income)/deductions(3) and Adjusted diluted EPS(3) reflects Pfizer's share of the JV's earnings that were generated in fourth-quarter 2019 (to be recorded by Pfizer in first-quarter 2020) as well as Pfizer's share of the JV's projected earnings during first three quarters of 2020. Reflects an anticipated negative revenue impact of $2.4 billion due to recent and expected generic and biosimilar competition for certain products that have recently lost or are anticipated to soon lose patent protection. Exchange rates assumed are as of mid-January 2020. Reflects the anticipated unfavorable impact of approximately $0.2 billion on revenues and approximately $0.01 on Adjusted diluted EPS(3) as a result of changes in foreign exchange rates relative to the U.S. dollar compared to foreign exchange rates from 2019. Guidance for Adjusted diluted EPS(3) assumes diluted weighted-average shares outstanding of approximately 5.65 billion shares, which assumes no share repurchases in 2020.

(10)

Pfizer, Upjohn and Mylan are in the process of negotiating the terms on which Pfizer would transfer the Meridian business and/or certain Pfizer assets that currently form part of the Mylan-Japan collaboration to Viatris following the completion of the proposed combination of Upjohn and Mylan. There can be no assurance that any agreement or transaction will result from these negotiations and if the parties are unsuccessful in their efforts to negotiate the terms of such potential transactions, the Meridian business and/or the Pfizer assets that currently form part of the Mylan-Japan collaboration will remain with Pfizer.

(11)

Adjusted income(3) before tax margin (Adjusted IBT margin) is defined as revenue less the sum of Adjusted cost of sales(3), Adjusted SI&A expenses(3), Adjusted R&D expenses(3), Adjusted amortization of intangible assets(3) and Adjusted other (income)/deductions(3) as a percentage of revenue. Adjusted IBT Margin is presented because management believes this performance measure supplements investors' and other readers' understanding and assessment of the financial performance of New Pfizer(5). Adjusted IBT margin is not, and should not be viewed as, a substitute for U.S. GAAP income before tax margin.

(12)

Adjusted Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) is defined as reported U.S. GAAP net income/(loss)(2), and its components, adjusted for interest expense, provision/(benefit) for taxes on income/(loss) and depreciation and amortization, further adjusted to exclude purchase accounting adjustments, acquisition-related costs, discontinued operations and certain significant items (some of which may recur, such as gains on the completion of joint venture transactions, restructuring charges, legal charges or net gains and losses on investments in equity securities, but which management does not believe are reflective of ongoing core operations). Adjusted EBITDA is presented because management believes this performance measure supplements investors' and other readers' understanding and assessment of the financial performance of Upjohn. Adjusted EBITDA as defined is not a measurement of financial performance under GAAP, and should not be considered as an alternative to net income/(loss)(2) or cash flow from operations determined in accordance with GAAP.

(13)

Humira® is a registered U.S. trademark of AbbVie Biotechnology Ltd.

(14)

Erbitux® is a registered trademark of ImClone LLC.

DISCLOSURE NOTICE: Except where otherwise noted, the information contained in this earnings release and the related attachments is as of January 28, 2020. We assume no obligation to update any forward-looking statements contained in this earnings release and the related attachments as a result of new information or future events or developments.

This earnings release and the related attachments contain forward-looking statements about our anticipated future operating and financial performance, business plans and prospects, expectations for our product pipeline, in-line products and product candidates, including anticipated regulatory submissions, data read-outs, study starts, approvals, revenue contribution, growth, performance, timing of exclusivity and potential benefits, strategic reviews, capital allocation objectives, benefits anticipated from the reorganization of our commercial operations in 2019, plans for and prospects of our

acquisitions and other business development activities, including our proposed transaction with Mylan N.V. (Mylan) to combine Upjohn and Mylan to create a new global pharmaceutical company, our acquisition of Array BioPharma Inc. and our transaction with GSK which combined our respective consumer healthcare businesses into a new consumer healthcare joint venture, our ability to successfully capitalize on growth opportunities or prospects, manufacturing and product supply and plans relating to share repurchases and dividends, among other things, that involve substantial risks and uncertainties. You can identify these statements by the fact that they use future dates or use words such as “will,” “may,” “could,” “likely,” “ongoing,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “assume,” “target,” “forecast,” “guidance,” “goal,” “objective,” “aim,” “seek” and other words and terms of similar meaning. Among the factors that could cause actual results to differ materially from past results and future plans and projected future results are the following:

the outcome of research and development activities, including, without limitation, 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, regulatory approval dates and/or launch dates, as well as the possibility of unfavorable pre-clinical and clinical trial results, including the possibility of unfavorable new clinical data and further analyses of existing clinical data; the risk we may not be able to successfully address all of the comments received from regulatory authorities such as the U.S. Food and Drug Administration (FDA) or the European Medicines Agency (EMA), or obtain approval from regulators, which will depend on myriad factors, including such regulator making a determination as to whether a product’s benefits outweigh its known risks and a determination of the product’s efficacy; regulatory decisions impacting labeling, manufacturing processes, safety and/or other matters; and recommendations by technical or advisory committees, such as the Advisory Committee on Immunization Practices, that may impact the use of our vaccines; the speed with which regulatory authorizations, pricing approvals and product launches may be achieved; 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 result in the loss of marketing approval, changes in product labeling, and/or new or increased concerns about the side effects or efficacy of, a product that could affect its availability or commercial potential, such as the update to the U.S. and EU prescribing information for Xeljanz; the success of external business-development activities, 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, and the potential need to obtain additional equity or debt financing to pursue these opportunities which could result in increased leverage and impact our credit ratings; competitive developments, including the impact on our competitive position of new product entrants, in-line branded products, generic products, private label products, biosimilars and product candidates that treat diseases and conditions similar to those treated by our in-line drugs and drug candidates; the implementation by the FDA and regulatory authorities in certain countries of an abbreviated legal pathway to approve biosimilar products, which could subject our biologic products to competition from biosimilar products, with attendant competitive pressures, after the expiration of any applicable exclusivity period and patent rights; risks related to our ability to develop and commercialize biosimilars, including risks associated with “at risk” launches, defined as the marketing of a product by Pfizer before the final resolution of litigation (including any appeals) brought by a third party alleging that such marketing would infringe one or more patents owned or controlled by the third party, and access challenges for our biosimilar products where our product may not receive appropriate formulary access or remains in a disadvantaged position relative to the innovator product; the ability to meet competition from generic, branded and biosimilar products after the loss or expiration of patent protection for our products or competitor products; the ability to successfully market both new and existing products domestically and internationally; difficulties or delays in manufacturing, including delays caused by natural events, such as hurricanes; supply disruptions, shortages or stock-outs at our facilities; and legal or regulatory actions, such as warning letters, suspension of manufacturing, seizure of product, injunctions, debarment, recall of a product, delays or denials of product approvals, import bans or denial of import certifications; trade buying patterns; the impact of existing and future legislation and regulatory provisions on product exclusivity; 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; the impact of any significant spending reductions or cost controls affecting Medicare, Medicaid or other publicly funded or subsidized health programs or changes in the tax treatment of employer-sponsored health insurance that may be implemented; the impact of any U.S. healthcare reform or legislation, including any replacement, repeal, modification or invalidation of some or all of the provisions of the U.S. Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act; 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, including under Medicaid, Medicare and other publicly funded or subsidized health programs; patient out-of-pocket costs for medicines, manufacturer prices and/or price increases that could result in new mandatory rebates

and discounts or other pricing restrictions; general budget control actions; the importation of prescription drugs from outside the U.S. at prices that are regulated by governments of various foreign countries; revisions to reimbursement of biopharmaceuticals under government programs; restrictions on U.S. direct-to-consumer advertising; limitations on interactions with healthcare professionals; or the use of comparative effectiveness methodologies that could be implemented in a manner that focuses primarily on the cost differences and minimizes the therapeutic differences among pharmaceutical products and restricts access to innovative medicines; as well as pricing pressures for our products as a result of highly competitive insurance markets; legislation or regulatory action in markets outside the U.S., including China, affecting pharmaceutical product pricing, intellectual property, 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; the exposure of our operations outside the U.S. to possible capital and exchange controls, economic conditions, expropriation and other restrictive government actions, changes in intellectual property legal protections and remedies, as well as political unrest, unstable governments and legal systems and inter-governmental disputes; contingencies related to actual or alleged environmental contamination; any significant breakdown, infiltration or interruption of our information technology systems and infrastructure; legal defense costs, insurance expenses and settlement costs; the risk of an adverse decision or settlement and the adequacy of reserves related to legal proceedings, including patent litigation, such as claims that our patents are invalid and/or do not cover the product of the generic drug manufacturer or where one or more third parties seeks damages and/or injunctive relief to compensate for alleged infringement of its patents by our commercial or other activities, product liability and other product-related litigation, including personal injury, consumer, off-label promotion, securities, antitrust and breach of contract claims, commercial, environmental, government investigations, employment and other legal proceedings, including various means for resolving asbestos litigation, as well as tax issues; the risk that our currently pending or future patent applications may not result in issued patents, or be granted on a timely basis, or any patent-term extensions that we seek may not be granted on a timely basis, if at all; our ability to protect our patents and other intellectual property, both domestically and internationally; interest rate and foreign currency exchange rate fluctuations, including the impact of possible currency devaluations in countries experiencing high inflation rates; governmental laws and regulations affecting domestic and foreign operations, including, without limitation, tax obligations and changes affecting the tax treatment by the U.S. of income earned outside the U.S. that may result from pending and possible future proposals, including further clarifications and/or interpretations of or changes to the Tax Cuts and Jobs Act enacted in

2017; any significant issues involving our largest wholesale distributors, which account for a substantial portion of our revenues; the possible impact of the increased presence of counterfeit medicines in the pharmaceutical supply chain on our revenues and on patient confidence in the integrity of our medicines; uncertainties based on the formal change in relationship between the U.K. government and the EU, which could have implications on our research, commercial and general business operations in the U.K. and the EU, including the approval and supply of our products; any significant issues that may arise related to the outsourcing of certain operational and staff functions to third parties, including with regard to quality, timeliness and compliance with applicable legal or regulatory requirements and industry standards; any significant issues that may arise related to our joint ventures and other third-party business arrangements; further clarifications and/or changes in interpretations of existing laws and regulations, or changes in laws and regulations, in the U.S. and other countries, including changes in U.S. generally accepted accounting principles; uncertainties related to general economic, political, business, industry, regulatory and market conditions including, without limitation, uncertainties related to the impact on Pfizer, our customers, suppliers and lenders and counterparties to our foreign-exchange and interest-rate agreements of challenging global economic conditions and recent and possible future changes in global financial markets; the related risk that our allowance for doubtful accounts may not be adequate; and the risks related to volatility of our income due to changes in the market value of equity investments; any changes in business, political and economic conditions due to actual or threatened terrorist activity in the U.S. and other parts of the world, and related U.S. military action overseas; growth in costs and expenses; changes in our product, segment and geographic mix; the impact of purchase accounting adjustments, acquisition-related costs, discontinued operations and certain significant items; the impact of product recalls, withdrawals and other unusual items; 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, acquisitions and divestitures, such as the acquisition of Array, our transaction with GSK which combined our respective consumer healthcare businesses into a new consumer healthcare joint venture and our agreement to combine Upjohn with Mylan to create a new global pharmaceutical company, Viatris, including, among other things, risks related to the satisfaction of the conditions to closing to any pending transaction (including the failure to obtain any necessary shareholder and regulatory approvals) in the anticipated timeframe or at all and the possibility that such transaction does not close; the ability to realize the anticipated benefits of those transactions, including the possibility that the expected cost savings and/or accretion from certain of those transactions will not be realized or will not be realized within the expected time frame; the risk that the businesses will not be

integrated successfully; negative effects of the announcement or the consummation of the transaction on the market price of Pfizer's common stock, Pfizer's credit ratings and/or Pfizer's operating results; disruption from the transactions making it more difficult to maintain business and operational relationships; risks related to our ability to grow revenues for certain acquired products; significant transaction costs; unknown liabilities; the risk of litigation and/or regulatory actions related to the transaction, other business effects, including the effects of industry, market, economic, political or regulatory conditions, future exchange and interest rates, changes in tax and other laws, regulations, rates and policies, future business combinations or disposals; competitive developments; and as it relates to the Consumer Healthcare joint venture with GSK, the possibility that a future separation of the joint venture as an independent company via a demerger of GSK's equity interest to GSK's shareholders and a listing of the joint venture on the U.K. equity market may not occur; and the impact of, and risks and uncertainties related to, restructurings and internal reorganizations, including the reorganization of our commercial operations in 2019, as well as any other corporate strategic initiatives, and cost-reduction and productivity initiatives, each of which requires upfront costs but may fail to yield anticipated benefits and may result in unexpected costs or organizational disruption.

We cannot guarantee that any forward-looking statement will be realized. Achievement of anticipated results is subject to substantial risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from past results and those anticipated, estimated or projected. Investors should bear this in mind as they consider forward-looking statements, and are cautioned not to put undue reliance on forward-looking statements. A further list and description of risks, uncertainties and other matters can be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and in our subsequent reports on Form 10-Q, in each case including in the sections thereof captioned "Forward-Looking Information and Factors That May Affect Future Results" and "Item 1A. Risk Factors", and in our subsequent reports on Form 8-K.

The operating segment information provided in this earnings release and the related attachments does not purport to represent the revenues, costs and income from continuing operations before provision for taxes on income that each of our operating segments would have recorded had each segment operated as a standalone company during the periods presented.

This earnings release may include 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 effectiveness 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.

ADDITIONAL INFORMATION AND WHERE TO FIND IT

This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended. In connection with the proposed combination of Upjohn Inc. (“Newco”), a wholly owned subsidiary of Pfizer Inc. (“Pfizer”), and Mylan N.V. (“Mylan”), which will immediately follow the proposed separation of the Upjohn business (the “Upjohn Business”) from Pfizer (the “proposed transaction”), Newco and Mylan have filed certain materials with the Securities and Exchange Commission (“SEC”), including, among other materials, the Registration Statement on Form S-4 which includes a draft proxy statement/prospectus (as amended, the “Form S-4”), and Form 10 which includes an information statement (as amended, the “Form 10”), each of which has been filed by Newco with the SEC on October 25, 2019 and subsequently refiled and/or amended. The registration statements have not yet become effective. After the Form S-4 is effective, a definitive proxy statement/prospectus will be sent to the Mylan shareholders seeking approval of the proposed transaction, and after the Form 10 is effective, a definitive information statement will be made available to the Pfizer stockholders relating to the proposed transaction. Newco and Mylan intend to file additional relevant materials with the SEC in connection with the proposed transaction, including a proxy statement of Mylan in definitive form. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT MYLAN, NEWCO AND THE PROPOSED TRANSACTION. The documents relating to the proposed transaction (when they are available) can be obtained free of charge from the SEC’s website at www.sec.gov. These documents (when they are available) can also be obtained free of charge from Mylan, upon written request to Mylan, at (724) 514-1813 or

investor.relations@mylan.com or from Pfizer on Pfizer’s internet website at https://investors.Pfizer.com/financials/sec-filings/default.aspx or by contacting Pfizer’s Investor Relations Department at (212) 733-2323, as applicable.

PARTICIPANTS IN THE SOLICITATION

This communication is not a solicitation of a proxy from any investor or security holder. However, Pfizer, Mylan, Newco and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction under the rules of the SEC. Information about the directors and executive officers of Pfizer may be found in its Annual Report on Form 10-K filed with the SEC on February 28, 2019, its definitive proxy statement and additional proxy statement relating to its 2019 Annual Meeting filed with the SEC on March 14, 2019 and on April 2, 2019, respectively, and Current Report on Form 8-K filed with the SEC on June 27, 2019. Information about the directors and executive officers of Mylan may be found in its amended Annual Report on Form 10-K filed with the SEC on April 30, 2019, and its definitive proxy statement relating to its 2019 Annual Meeting filed with the SEC on May 24, 2019. Additional information regarding the interests of these participants can also be found in the Form S-4 and will also be included in the definitive proxy statement of Mylan in connection with the proposed transaction when it becomes available. These documents (when they are available) can be obtained free of charge from the sources indicated above.

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