

cines, and various consumer healthcare products. At 1/14, began managing operations through a new structure consisting of three businesses: Global Innovative Pharmaceutical (GIP), Global Vacown less than 1% of common; BlackRock, 6.5% (3/14 proxy). Chrmn/CEO: Ian C. Read. Inc.: Del. Addr.: 235 East 42nd St., New York, NY 10017. Tel.: 212-733-2323. Internet: www.pfizer.com

23366 Current Liab. 28619 19920 **ANNUAL RATES** Est'd '11-'13 Past Past 5 Yrs. 3.5% -1.0% -6.0% -5.0% 4.0% of change (per sh) 10 Yrs. to '17-'19 4.5% 3.0% -1.5% 5.5% 8.5% Nil 3.5% 8.0% Sales "Cash Flow" Earnings Dividends Book Value 6.5% 6.0%

61415

4264

6424

17931

56244

3234

6027

14105

56987

2973

5389

11558

**Current Assets** 

Accts Payable Debt Due

Cal- endar	QU/ Mar.31	ARTERLY : Jun.30			Full Year
2011	16502	16984	17193	16746	67425
2012	14885	15057	13976	15068	58986
2013	12410	12973	12643	13558	51584
2014	11353	12773	12361	13013	49500
2015	11000	12500	12500	13000	49000
Cal-	I- EARNINGS PER SHARE A Full				
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2011	.28	.33	.31	.19	1.11
2012	.23	.42	.41	.20	1.26
2013	.36	.50	.39	.40	1.65
2014	.36	.45	.42	.37	1.60
2015	.35	.45	.45	.45	1.70
Cal-	QUARTERLY DIVIDENDS PAID B= Full				
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2011	.20	.20	.20	.20	.80
2012	.22	.22	.22	.22	.88
2013	.24	.24	.24	.24	.96
2014	.26	.26	.26	.26	1.04
2015	28				

Pfizer will look to move past a difficult 2014. The New York-based drugmaker faced its share of challenges this past year. Intense generic pressure on key franchises, limited pipeline relief, and a failed attempt to buy AstraZeneca led to Pfizer being one of the bigger underperformers in the industry (shares were relatively flat in 2014). On a full-year basis, management is guiding for 2014 GAAP earnings of \$1.50-\$1.59 a share and adjusted earnings of \$2.23-\$2.27 a share, which would reflect little to no growth versus its 2013 tallies. Meanwhile, revenues probably declined somewhere in the mid-single-diğit range, largely due to continued fallout in both the Lipitor and Viagra franchises.

Strong growth in the core product line should help to alleviate pressure in 2015 and 2016. Although revenues continue to decline, the pace of erosion has slowed in recent quarters thanks to improved contributions from other core products. In the September period, Pfizer's two top-grossing franchises, *Lyrica* and *Prevnar*, posted impressive sales growth of growth of Combined, and 18%, respectively.

these drugs now account for nearly 20% of the total revenue base and are shaping up to be cornerstones of the portfolio for years to come. That said, further development of these franchises, as well as the pipeline, will be necessary to help offset anticipated upcoming losses of *Celebrex*. The pain-killing medication, which generated roughly \$3 billion in sales last year, recently lost a patent battle, and generics are scheduled to hit the market in the first quarter.

shareholders Returning value to remains a top priority. Back in October, the board authorized a mammoth \$11 billion share-repurchase program to be utilized over time. This is in addition to the \$1.3 billion of authorization remaining under its existing program. Moreover, management recently announced an 8% increase in its quarterly dividend to \$0.28 a share, payable in the March period.

The stock has been dropped a notch for Timeliness to 4 (Below Average). While momentum accounts are likely to find more-exciting options elsewhere, we continue to view Pfizer as a relatively safe income play within the drug industry. *Michael Ratty* January 9, January 9, 2015

(A) Diluted earnings. Excl. non-rec. gains/(losses): '98, 18¢; '99, (5¢); '00, (43¢); '01, (11¢); '02, (7¢); '03, (\$1.21); '04, (63¢); '05, 93¢; '06, 8¢; '07, (\$1.03). May not sum due

bill., \$12.80/sh. (D) In millions. (E) Pharmacia 2008.

to change in shrs. Next egs. rpt. due late Jan. (B) Div'ds paid Mar., Jun, Sep., Dec. Div'd acqd. 10/09, included from 4th qtr. (G) reinvest, plan. (C) Incl. intang. In '13: \$81.9 Switched to GAAP earnings from adjusted in

Company's Financial Strength Stock's Price Stability A++ 90 Price Growth Persistence 45 **Earnings Predictability** 65