

and sale of healthcare products. Portfolio includes medicines, vaccines, and various consumer healthcare products. Manages operations through a structure consisting of three businesses: Global Innovative Pharmaceutical (GIP), Global Vaccines, Oncology, and

Celebrex. Has 78,300 employees. Dirs/Off. own less than 1% of common; BlackRock, 7.1%; Vanguard, 5.5% (3/15 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

ANNUAL RATES Est'd '12-'14 Past Past 5 Yrs. 3.0% 2.5% -1.5% to '18-'20 1.5% 5.0% 8.0% of change (per sh) 10 Yrs. 3.0% 1.0% -2.0% Sales "Cash Flow" Earnings Dividends Book Value 5.0% 5.0% 6.0% 3.0%

56244

3234

6027 14105

23366

57702

3440 5141

21631

51715

2930 8394

12819

24143

Current Assets

Accts Payable Debt Due

Current Liab.

Cal-	QUARTERLY SALES (\$ mill.)				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2012	14885	15057	13976	15068	58986
2013	12410	12973	12643	13558	51584
2014	11353	12773	12361	13118	49605
2015	10864	11853	11400	12383	46500
2016	10500	12000	12000	13000	47500
Cal-	EARNINGS PER SHARE A				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2012	.23	.42	.41	.20	1.26
2013	.36	.50	.39	.40	1.65
2014	.36	.45	.42	.19	1.41
2015	.38	.42	.44	.21	1.45
2016	.40	.40	.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	.28	.28		
/A) D:					

Pfizer completed its acquisition of Hospira. On September 3rd, the company announced that it had finalized its roughly \$15 billion purchase of Hospira, a maker of injectable drugs and infusion technologies. The deal, first announced in early February, provides a significant boost to Pfizer's product portfolio and better positions the company to offset generic pressures in the coming years. We are particularly encouraged with Hospira's attractive lineup of biosimilars, a global market that is estimated to grow to \$20 billion by 2020. Management laid out some details, but we are awaiting its upcoming conference call before adjusting our estimates. Pfizer expects the transaction to be immediately accretive to adjusted earnings per share (about \$0.10-\$0.12 in first full year after close) and projects \$800 million in cost savings by 2018. We anticipate the company will provide further visibility and updated guidance on its third-quarter conference call scheduled for October 27th. The top-line is poised to rebound over the next 3 to 5 years. After roughly half a decade of declining sales, Pfizer appears

to be nearing the end of the worst patent

cliff in company history. In our view, abating generic pressures, coupled with solid core product momentum and an attractive pipeline should help to turn the tide over the pull to 2018-2020. Key drivers include continued growth in the Prevnar vaccine (Pfizer's top-grossing product with reported sales of \$1.5 billion in the second quarter), the recent acquisition of Hospira, and further development of the company's oncology assets, particularly *Ibrance*, which some are touting as a potential blockbuster candidate.

The stock has been upgraded a notch for Timeliness to 3 (Average). While our near-term outlook has improved since our July report, the equity still does not stand out in terms of year-ahead relative price performance. In our view, this blue chip is best suited for investors seeking a low-risk income play within the large pharma space. At present, Pfizer stock maintains our Highest mark for Safety (1) and its 3.6% dividend yield is a healthy clip above *Value Line's* 2.4% average. The company's Financial Strength rating is also top notch (A++). Michael Ratty October 9, 2015

(A) Diluted earnings. Excl. non-rec. shrs. Next egs. rpt. due late October. (B) | 4/03, included from 2nd qtr. (F) Wyeth acqd. gains/(losses): '99, (5¢), '00, (43¢); '01, (11¢); | 0iv'ds paid Mar., Jun, Sep., Dec. □ Div'd rein-vest. plan. (C) Incl. intang. In '14: \$77.2 bill., 8¢; '07, (\$1.03). May not sum due to change in \$1.2.28/sh. (D) In millions. (E) Pharmacia acqd.

Company's Financial Strength Stock's Price Stability A++ 95 Price Growth Persistence 60 **Earnings Predictability** 70