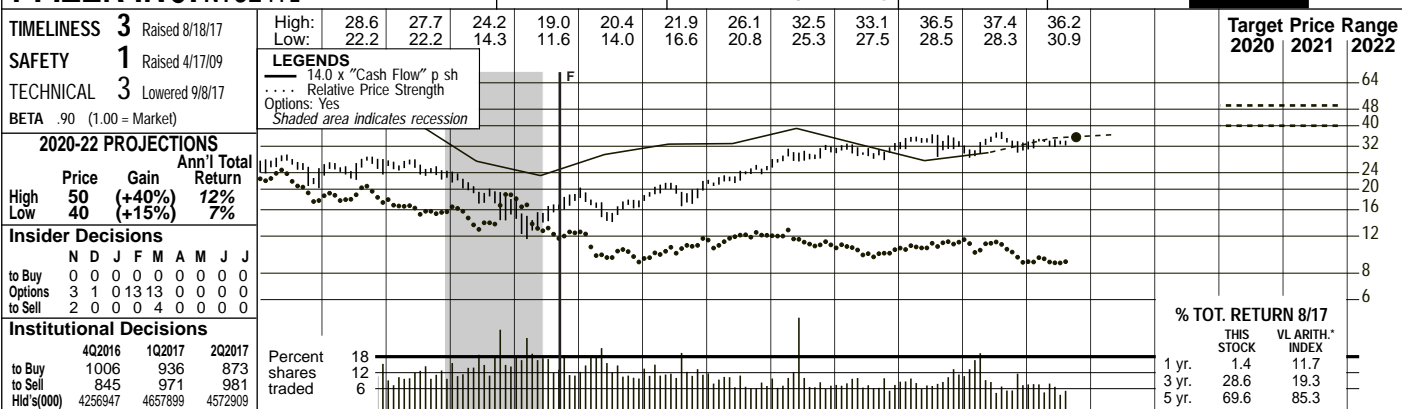


# PFIZER INC. NYSE:PFE

RECENT PRICE **35.30** P/E RATIO **22.9** (Trailing: 25.8 Median: 18.0) RELATIVE P/E RATIO **1.17** DIV'D YLD **3.6%**

**VALUE LINE**



2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	20-22	
5.14	5.25	5.92	7.03	6.97	6.79	7.16	7.16	6.20	8.46	8.90	8.11	8.06	7.89	7.91	8.70	8.95	9.30	Sales per sh	10.35
1.50	1.72	2.21	2.84	2.80	2.85	3.03	1.94	1.66	2.09	2.34	2.35	2.77	2.32	1.96	2.13	2.50	2.60	"Cash Flow" per sh	3.10
1.31	1.53	1.75	2.12	2.02	2.06	2.20	1.18	1.23	1.03	1.11	1.26	1.65	1.41	1.11	1.17	1.55	1.70	Earnings per sh A G	2.30
.44	.52	.60	.68	.76	.96	1.16	1.28	.80	.72	.80	.88	.96	1.04	1.12	1.20	1.28	1.36	Div'ds Decl'd per sh B	1.60
.35	.29	.35	.35	.29	.29	.28	.25	.15	.19	.22	.18	.19	.19	.23	.30	.25	.25	Cap'l Spending per sh	.25
2.91	3.24	8.53	9.10	8.88	9.98	9.60	8.52	11.15	10.95	10.84	11.16	11.92	11.33	10.48	9.81	9.50	9.30	Book Value per sh C	9.10
6277.0	6162.0	7629.0	7473.0	7361.0	7124.0	6761.0	6746.0	8070.0	8012.0	7575.0	7276.0	6399.0	6291.0	6175.0	6070.0	5900.0	5800.0	Common Shs Outst'g D	5500.0
31.8	22.8	18.2	15.6	12.7	12.5	11.5	16.4	12.8	16.3	17.6	18.4	17.6	21.5	30.3	28.1	28.1	28.1	Avg Ann'l P/E Ratio	20.0
1.63	1.25	1.04	.82	.68	.67	.61	.99	.85	1.04	1.10	1.17	.99	1.13	1.53	1.48	1.48	1.48	Relative P/E Ratio	1.25
1.1%	1.5%	1.9%	2.1%	3.0%	3.7%	4.6%	6.6%	5.1%	4.3%	4.1%	3.8%	3.3%	3.4%	3.3%	3.7%	3.7%	3.7%	Avg Ann'l Div'd Yield	3.5%

CAPITAL STRUCTURE as of 7/2/17		© VALUE LINE PUB. LLC																
Total Debt \$43705 mill. Due in 5 Yrs \$22206 mill.		Sales (\$mill)																
LT Debt \$34191 mill. LT Interest \$1247 mill. (37% of Cap'l)		Operating Margin																
		Depreciation (\$mill)																
		Net Profit (\$mill)																
		Income Tax Rate																
		Net Profit Margin																
Leases, Uncapitalized Annual rentals \$220.0 mill.		Working Cap'l (\$mill)																
		Long-Term Debt (\$mill)																
		Shr. Equity (\$mill)																
Pension Assets-12/16 \$20.2 bill. Oblig. \$26.7 bill.		Return on Total Cap'l																
		Return on Shr. Equity																
Common Stock 5,947,349,054 shs. as of 8/7/17		Retained to Com Eq																
MARKET CAP: \$210 billion (Large Cap)		All Div'ds to Net Prof																
CURRENT POSITION		2015	2016	7/2/17														
(SMILL.)																		
Cash Assets	23290	17850	14333															
Receivables	8176	8225	9476															
Inventory (LIFO)	7513	6783	7584															
Other	4825	6091	4992															
Current Assets	43804	38949	36385															
Accts Payable	3620	4536	3439															
Debt Due	10160	10688	9514															
Other	15619	15891	14229															
Current Liab.	29399	31115	27182															

**BUSINESS:** Pfizer Inc. is a research-based, global biopharmaceutical company engaging in the discovery, development, manufacture, and sale of healthcare products. Portfolio includes medicines, vaccines, and various consumer healthcare products. Manages commercial operations through two segments: Pfizer Innovative Health (IH) and Pfizer Essential Health (EH), which was previously known as Established Products. Highest-grossing products '16: *Pfizer, Lyrica, Enbrel, Ibrance, Lipitor, and Viagra*. Has 96,500 employees. Dirs/Off. own less than 1% of common stock; BlackRock, 7.4%; Vanguard, 6.6%; State Street, 5.3% (3/17 proxy). Chairman/CEO: Ian C. Read. Inc.: Del. Addr.: 235 East 42nd St., New York, NY 10017. Tel.: 212-733-2323. Internet: www.pfizer.com

**Pfizer is seeing strong growth in several key products, but *Pfizer* remains a significant drag.** The company's Innovative Health segment, which sells newer, patent-protected drugs, delivered sales growth of 7% in the first half of 2017. Performance was driven by strong momentum in Pfizer's top oncology asset *Ibrance* (+63%), blood thinner medication *Eliquis* (+51%), and rheumatoid arthritis treatment *Xeljanz* (+42%). Further gains were mitigated, however, by an 8% decline in the top-grossing *Pfizer* vaccine franchise (10% of total sales), which continues to fade due to weaker demand for the adult indication. Aging blockbusters *Enbrel* (-20%) and *Viagra* (-16%) were additional drags, owing to generic competition. ***Lyrica* will likely face losses next year when its U.S. patent expires.** The nerve pain medication currently represents Pfizer's number-two seller and accounts for 9% of total sales. It generated roughly \$2.2 billion during the first half (+8% year over year) and appears poised to finish off 2017 on a positive note. That said, cheaper generics are expected to hit the market next year and the *Lyrica* franchise will likely experience some erosion, the extent of which depends largely on timing. **The company narrowed its 2017 earnings guidance.** Pfizer's Q2 results were mixed, as adjusted share earnings (\$0.67) came in ahead of consensus expectations, but sales (\$12.9 billion) missed. On the conference call, management indicated that it now expects full-year adjusted earnings of \$2.54-\$2.60 a share (previously \$2.50-\$2.60), but reaffirmed its sales outlook of \$52 billion-\$54 billion. Based on our projections, sales are likely to be relatively flat in 2017. We look for further development of the new product cycle to drive a more meaningful rebound in 2018. **The stock's Timeliness rank has been raised a notch to 3 (Average).** We continue to view Pfizer as a solid, lower-risk income play in the large pharmaceutical space. The company has strong finances, high-grade fundamentals, and an impressive track record. An attractive dividend yield (3.6%) and expectations for continued share repurchases should enhance shareholder value.

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	11353	12773	12361	13118	49605
2015	10864	11853	12087	14047	48851
2016	13005	13147	13045	13627	52824
2017	12779	12896	13200	13825	52700
2018	13100	13300	13600	14000	54000

(A) Diluted earnings (GAAP). May not sum due to change in share count. Next earnings report due early November. (B) Dividends paid in early Mar., Jun, Sep., Dec. Div'd reinvest. plan. (C) Includes intangibles. In '16: \$107.1 bill., \$17.64/sh. (D) In millions. (E) Pharmacia acqd. 4/03, included from 2nd qtr. (F) Wyeth acqd. 10/09, included from 4th qtr. (G) Switched to GAAP earnings from adjusted in 2008.

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October 6, 2017

Michael Ratty

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