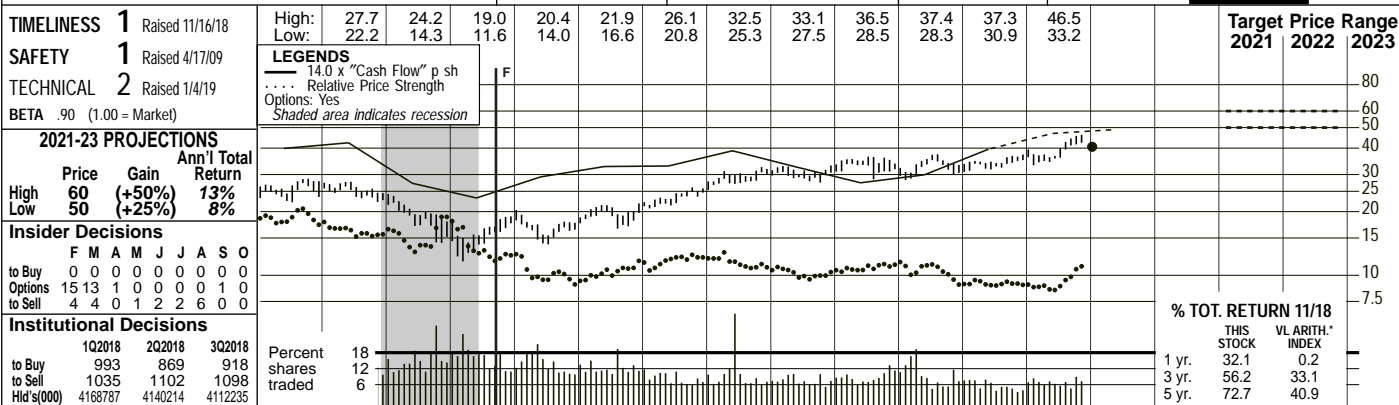


Pfizer Inc. NYSE:PFE

RECENT PRICE **40.55** P/E RATIO **17.2** (Trailing: 18.8) (Median: 18.0) RELATIVE P/E RATIO **1.20** DIV'D YLD **3.6%** VALUE LINE



2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
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	8.79	9.30	9.65	Sales per sh	10.90
1.72	2.21	2.84	2.80	2.85	3.03	3.03	1.66	2.09	2.34	2.35	2.77	2.32	1.96	2.13	2.82	3.35	3.50	"Cash Flow" per sh	3.85
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	1.73	2.30	2.45	Earnings per sh ^{A G}	2.90
.52	.60	.68	.76	.96	1.16	1.28	.80	.72	.80	.88	.96	1.04	1.12	1.20	1.28	1.36	1.44	Div'ds Decl'd per sh ^H	1.68
.29	.35	.35	.29	.29	.28	.25	.15	.19	.22	.18	.19	.19	.23	.30	.33	.35	.40	Cap'l Spending per sh	.45
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	11.92	12.50	12.90	Book Value per sh ^C	14.00
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	5979.0	5750.0	5650.0	Common Shs Outst'g ^D	5500.0
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	19.7	17.0		Avg Ann'l P/E Ratio	19.0
1.25	1.04	.82	.68	.67	.61	.99	.85	1.04	1.10	1.17	.99	1.13	1.53	1.47	.99	.90		Relative P/E Ratio	1.05
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%	3.8%	3.5%		Avg Ann'l Div'd Yield	3.0%

CAPITAL STRUCTURE as of 9/30/18		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Debt \$41037 mill. Due in 5 Yrs \$14666 mill.		48296	50009	67809	67425	58986	51584	49605	48851	52824	52546	53600	54500	Sales (\$mill)	60000				
LT Debt \$33652 mill. LT Interest \$1270 mill. (32% of Cap'l)		45.9%	46.2%	45.5%	48.6%	52.2%	53.1%	46.5%	44.8%	44.6%	47.8%	50.0%	51.0%	Operating Margin	52.0%				
Leases, Uncapitalized Annual rentals \$209.0 mill.		5090.0	4757.0	8487.0	9026.0	7611.0	6410.0	5537.0	5157.0	5757.0	6269.0	6100	5800	Depreciation (\$mill)	5200				
Pension Assets-12/17 \$23.1 bill. Oblig. \$28.8 bill.		8026.0	8621.0	8266.0	8697.0	9490.0	11341	9088.0	6949.0	7198.0	10606	13230	13840	Net Profit (\$mill)	15950				
Common Stock 5,780,474,578 shs. as of 11/5/18		17.0%	20.3%	11.9%	31.5%	21.2%	27.4%	25.5%	22.2%	13.4%	13.4%	13.0%	13.0%	Income Tax Rate	13.0%				
MARKET CAP: \$234 billion (Large Cap)		16.6%	17.2%	12.2%	12.9%	16.1%	22.0%	18.3%	14.2%	13.6%	20.2%	24.7%	25.4%	Net Profit Margin	26.6%				
CURRENT POSITION		16067	24445	31859	29659	32796	32878	36071	14405	7834.0	10714	10000	10500	Working Cap'l (\$mill)	12000				
CASH ASSETS		7963.0	43193	38410	34931	31036	30462	31541	28818	31398	33538	32000	30000	Long-Term Debt (\$mill)	27000				
RECEIVABLES		57556	90014	87813	82190	81260	76307	71301	64720	59544	71308	72000	73000	Shr. Equity (\$mill)	77000				
INVENTORY (LIFO)		12.6%	6.8%	7.1%	8.0%	9.0%	11.2%	9.4%	8.0%	8.6%	10.7%	13.5%	14.0%	Return on Total Cap'l	16.0%				
OTHER		13.9%	9.6%	9.4%	10.6%	11.7%	14.9%	12.7%	10.7%	12.1%	14.9%	18.5%	19.0%	Return on Shr. Equity	20.5%				
CURRENT ASSETS		NMF	3.4%	2.5%	3.0%	3.6%	6.2%	3.5%	NMF	NMF	4.1%	7.5%	8.0%	Retained to Com Eq	8.5%				
ACCTS PAYABLE		NMF	64%	74%	72%	69%	58%	73%	NMF	NMF	72%	59%	59%	All Div'ds to Net Prof	58%				
DEBT DUE		<p>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 '17: <i>Prevnar</i>, <i>Lyrica</i>, <i>Ibrance</i>, <i>Eliquis</i>, <i>Enbrel</i>, <i>Lipitor</i>, and <i>Xeljanz</i>. Has 90,200 employees. Dirs/Off. own less than 1% of common stock; BlackRock, 7.6%; Vanguard, 7.3%; State Street, 5.3% (3/18 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</p>																	

Pfizer will look to build off a strong 2018 campaign. The drugmaker has recorded five consecutive quarters of top line growth and appears poised to make it six when it reports Q4 results later this month. Improved uptakes trends for rheumatoid arthritis drug *Xeljanz*, blood thinner medication *Eliquis*, and top oncology asset *Ibrance* have been key catalysts, helping to offset generic pressures on other areas of the business, most notably in the *Viagra* franchise. Encouragingly, Pfizer's operational strides have not gone unnoticed as the stock surged to a new multi-year high in late November. While broader macro pressures gave some of the gains back in December, the equity was still up double digits on the year.

Cal-endar	Q1	Q2	Q3	Q4	Full Year
2015	10864	11853	12087	14047	48851
2016	13005	13147	13045	13627	52824
2017	12779	12896	13168	13703	52546
2018	12906	13466	13298	13930	53600
2019	13300	13600	13600	14000	54500

Cal-endar	Q1	Q2	Q3	Q4	Full Year
2015	.38	.42	.34	d.03	1.11
2016	.49	.33	.21	.13	1.17
2017	.51	.51	.47	.23	1.73
2018	.59	.65	.69	.37	2.30
2019	.63	.67	.70	.45	2.45

Cal-endar	Q1	Q2	Q3	Q4	Full Year
2015	.28	.28	.28	.28	1.12
2016	.30	.30	.30	.30	1.20
2017	.32	.32	.32	.32	1.28
2018	.34	.34	.34	.34	
2019	.36				

Lyrica's patent loss represents a significant headwind. The nerve pain medication is currently Pfizer's second-highest grossing franchise behind *Prevnar*. While sales growth in 2018 was somewhat sluggish due to declines in international markets, the drug still pulled in roughly \$3.4 billion during the first nine months of 2018 (9% of total sales). However, with *Lyrica* losing a major patent last month, the franchise is expected to see considerable erosion in 2019. Pfizer will be leaning on continued development of *Xeljanz*, *Eliquis*, and *Ibrance* to help fill the void.

The company recently inked a major deal with GlaxoSmithKline. The two sides announced plans to combine their expansive consumer health businesses into a single entity. The deal would create the largest OTC medicine supplier in the world with combined sales in the range of \$13 billion a year (Pfizer would receive a 32% stake in the new company). Management expects the transaction to deliver \$650 million in peak cost synergies and to be slightly accretive in each of the first three years after the close, which is scheduled for the second half of 2019.

The stock's Timeliness rank has been upgraded to 1 (Highest). Based on our system, shares of PFE currently represent one of the more attractive year-ahead growth plays in the large pharma space. An above-average dividend yield (3.6%), strong scores for Safety and Price Stability, and a below-market Beta adds to its overall investment appeal.

(A) Diluted earnings (GAAP). May not sum due to change in share count. Excludes one-time gain of \$1.79 a share in Q4, 2017. Next earnings report due late January. (B) Dividends paid in early Mar., Jun, Sep., Dec. (C) Div'd reinvest. plan. (D) Includes intangibles. In '17: \$104.4 bill., '17.46/sh. (E) In millions. (F) Wyeth acqd. 10/09, included from 4th qtr. (G) Switched to GAAP earnings from adjusted in 2008.	Company's Financial Strength	A++
	Stock's Price Stability	95
	Price Growth Persistence	65
	Earnings Predictability	60