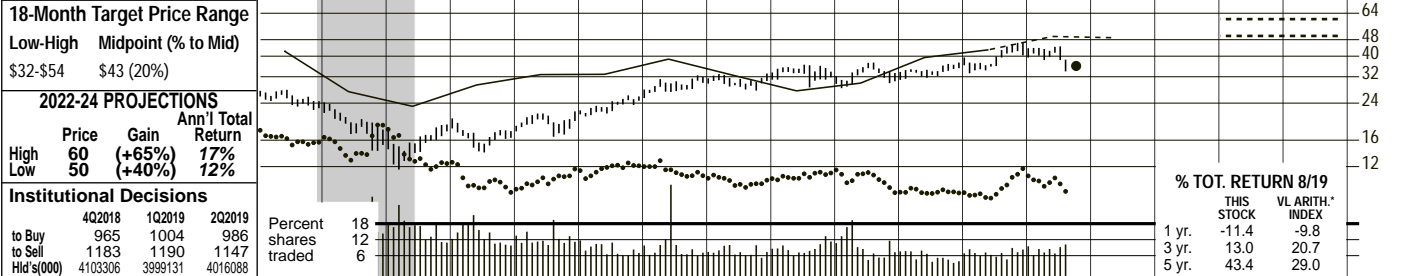


PFIZER INC. NYSE-PFE

RECENT PRICE **36.01** P/E RATIO **15.2** (Trailing: 16.4 Median: 19.0) RELATIVE P/E RATIO **0.90** DIV'D YLD **4.0%** VALUE LINE **1640**

TIMELINESS — Suspended 8/9/19 SAFETY 1 Raised 4/17/09 TECHNICAL — Suspended 8/9/19 BETA .90 (1.00 = Market)	High: 24.2 Low: 14.3	19.0 11.6	20.4 14.0	21.9 16.6	26.1 20.8	32.5 25.3	33.1 27.5	36.5 28.5	37.4 28.3	37.3 30.9	46.5 33.2	44.6 34.0	Target Price Range 2022 2023 2024
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2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC 22-24	
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	9.38	9.70	10.05	Sales per sh	11.00
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	2.82	3.07	3.55	3.50	"Cash Flow" per sh	3.90
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	1.87	2.40	2.40	Earnings per sh ^A	2.85
.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	1.52	Div'ds Decl'd per sh ^B	1.76
.35	.35	.29	.29	.28	.25	.15	.19	.22	.18	.19	.19	.23	.30	.33	.36	.40	.40	Cap'l Spending per sh	.45
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	11.30	10.90	11.30	Book Value per sh ^C	12.75
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	5717.0	5500.0	5400.0	Common Shs Outst'g ^D	5100.0
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	21.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	19.0
1.04	.82	.68	.67	.61	.99	.85	1.04	1.10	1.17	.99	1.13	1.53	1.47	.99	1.14			Relative P/E Ratio	1.05
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	3.3%

CAPITAL STRUCTURE as of 6/30/19				© VALUE LINE PUB. LLC 22-24															
Total Debt \$46675 mill. Due in 5 Yrs \$14777 mill.				50009	67809	67425	58986	51584	49605	48851	52824	52546	53647	51500	50000	Sales (\$mill)	56000		
LT Debt \$36168 mill. LT Interest \$1316 mill. (38% of Cap'l)				46.2%	45.5%	48.6%	52.2%	53.1%	46.5%	44.8%	44.6%	47.8%	49.1%	52.0%	52.0%	Operating Margin	53.0%		
Leases, Uncapitalized Annual rentals \$300.0 mill.				4757.0	8487.0	9026.0	7611.0	6410.0	5537.0	5157.0	5757.0	6269.0	6384.0	6200	6000	Depreciation (\$mill)	5400		
Pension Assets-12/18 \$21.3 bill. Oblig. \$26.4 bill.				8621.0	8266.0	8697.0	9490.0	11341	9088.0	6949.0	7198.0	10606	11143	13200	12960	Net Profit (\$mill)	14540		
Common Stock 5,531,048,353 shs. as of 8/5/19				20.3%	11.9%	31.5%	21.2%	27.4%	25.5%	22.2%	13.4%	13.4%	16.0%	16.0%	Income Tax Rate	16.0%			
MARKET CAP: \$199 billion (Large Cap)				17.2%	12.2%	12.9%	16.1%	22.0%	18.3%	14.2%	13.6%	20.2%	20.8%	25.6%	25.9%	Net Profit Margin	26.0%		
CURRENT POSITION				24445	31859	29659	32796	32878	36071	14405	7834.0	10714	18068	15000	16000	Working Cap'l (\$mill)	19000		
				43193	38410	34931	31036	30462	31541	28818	31398	33538	32909	35000	34000	Long-Term Debt (\$mill)	30000		
				90014	87813	82190	81260	76307	71301	64720	59544	71308	63407	60000	61000	Shr. Equity (\$mill)	65000		
				6.8%	7.1%	8.0%	9.0%	11.2%	9.4%	8.0%	8.6%	10.7%	12.3%	14.5%	14.5%	Return on Total Cap'l	16.0%		
				9.6%	9.4%	10.6%	11.7%	14.9%	12.7%	10.7%	12.1%	14.9%	17.6%	22.0%	21.0%	Return on Shr. Equity	22.5%		
				3.4%	2.5%	3.0%	3.6%	6.2%	3.5%	.0%	NMF	4.1%	5.0%	9.0%	8.0%	Retained to Com Eq	8.5%		
				64%	74%	72%	69%	58%	73%	100%	102%	72%	72%	60%	63%	All Div'ds to Net Prof	62%		

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 distinct business segments: Pfizer Innovative Health (IH) and Pfizer Essential Health (EH). Highest-grossing products '18: *Prevnar*, *Lyrica*, *Ibrance*, *Eliquis*, *Enbrel*, *Lipitor*, and *Xeljanz*. Has 92,400 employees. Officers and directors own less than 1% of common stock; BlackRock, 8.0%; Vanguard, 7.8%; State Street, 5.1% (3/19 proxy). Chairman: Ian C. Read. CEO: Albert Bourla. Inc.: Del. Addr.: 235 East 42nd St., New York, NY 10017. Tel.: 212-733-2323. Internet: www.pfizer.com

Pfizer closed its Consumer Healthcare Joint Venture with GlaxoSmithKline. The transaction was completed on August 1st and creates the largest OTC medicine supplier in the world with combined annual sales of roughly \$13 billion. Pfizer owns 32% of the new entity, which will operate globally under the name GSK Consumer Healthcare. Management expects the deal to deliver \$650 million in peak cost synergies and to be slightly accretive to earnings over the next three years.

The company completed its acquisition of Array BioPharma. This deal was wrapped up in Q3 and should provide a nice boost to the oncology portfolio. While the price tag was a bit rich based on preannouncement valuations (roughly 62% premium), it gives Pfizer access to an attractive lineup of skin cancer treatments (notably *Braftovi* and *Mektovi*) that management believes have significant long-term growth potential via expansion into other areas. The company expects the deal to be dilutive to adjusted EPS by \$0.04-\$0.05 in both 2019 and 2020, neutral in 2021, and accretive by 2022. We have adjusted our forward-looking estimates to reflect both the completed acquisition of Array and the closing of the JV with Glaxo.

Management revealed plans to divest its Upjohn business. Pfizer recently announced that it would be spinning off its Upjohn generics unit and merging it with Mylan. Upon closing, which is tentatively scheduled for mid-2020, Pfizer shareholders would own 57% of the combined entity.

The stock's Timeliness rank has been suspended. Clearly there are a lot of moving parts here as Pfizer continues its transformation into a more innovative medicines-focused drugmaker. Indeed, consumer healthcare has been shed, generics are on the way out, and management has aggressively sought out M&A and development deals to bolster higher-margin areas of the portfolio. Altogether, we are encouraged with the strategic direction and believe it better positions the company for sustainable long-term growth. With strong finances, high-grade fundamentals, and an impressive track record of returning value to shareholders, we continue to view Pfizer as a solid core holding in the large pharmaceutical space.

Michael Ratty
October 4, 2019

(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 October.	(B) Dividends paid in early Mar., Jun, Sep., Dec. ■ Div'd reinvest. plan.	(D) In millions.
(C) Includes intangibles. In '18: \$88.6 bill., \$15.50/sh.	Company's Financial Strength A++ Stock's Price Stability 95 Price Growth Persistence 75 Earnings Predictability 60	