



Pfizer Limited

The Capital, 1802 / 1901,
Plot No. C - 70, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051.
Tel : +91 22 6693 2000 Fax : +91 22 2654 0274

August 6, 2020

The Corporate Relationship Dept.
BSE Limited
1st Floor, P.J.Towers
Dalal Street, Fort
Mumbai – 400 001
Scrip Code: 500680

The Manager, Listing Dept.
The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051
Scrip Symbol: PFIZER

Dear Sirs,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Pursuant to Regulation 30 of the Listing Regulations, we enclose herewith the transcript of the Analysts teleconference held on August 5, 2020, to discuss the Company's financial performance for the quarter ended June 30, 2020.

The aforesaid information shall also be displayed on the website of the Company – www.pfizerindia.com in compliance with the Regulation 46 of the Listing Regulations.

Please take the above on record.

Thanking you,

Yours truly,

For Pfizer Limited

Prajeet Nair
Company Secretary



PFIZER LIMITED

EDITED TRANSCRIPT OF ANALYSTS' TELECONFERENCE FOR RESULTS FOR FIRST QUARTER ENDED JUNE 30, 2020.

Event Date: August 5, 2020

Start Time: 4.00 pm IST

End Time: 5.20 pm IST

Pfizer Limited Management Participants:

Mr. S. Sridhar - Managing Director

Mr. Milind Patil - Executive Director, Finance & Chief Financial Officer

Mr. Samir Kazi - Executive Director, Legal

Dr. Sonali Dighe - Senior Director, Medical Affairs

Mr. Sharad Goswami - Senior Director, Public Affairs

Mr. Darshak Bhagat - Director, Financial Planning & Analysis

Mr. Prajeet Nair - Company Secretary





*Pfizer Limited
August 5, 2020*

Moderator: Ladies and gentlemen, good day and welcome to Pfizer Limited Q1 2020-21 Earnings Conference Call. We have with us from the Management, Mr. S. Sridhar -- Managing Director; Mr. Milind Patil -- Executive Director, Finance and CFO; Mr. Samir Kazi -- Executive Director, Legal; Dr. Sonali Dighe -- Senior Director, Medical Affairs; Mr. Sharad Goswami -- Senior Director, Public Affairs; Mr. Prajeet Nair -- Company Secretary; and Mr. Darshak Bhagat -- Director, Financial Planning and Analysis. As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing '*' then '0' touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. S. Sridhar. Thank you. And over to you, sir.

S. Sridhar: Thank you very much. Hello, Everyone. Good Evening. Welcome to the Q1 FY 2020 -21 Results for Pfizer Limited. It has been a long time since we had connected on analyst call. Given the current circumstances, we thought a call with all of you will help given the challenges in physical meeting.

I hope you and your family are safe in this difficult situation.

I have with me on the call, Mr. Milind Patil -- our Executive Director -- Finance and CFO, who will take us through the financials.

I hope that by now you would have seen and analyzed our published results for the quarter ended June 30, 2020.



*Pfizer Limited
August 5, 2020*

Before we discuss the results, I will take a few minutes talking about the current COVID-19 situation, external environment, the industry and the changes that have taken place in Pfizer Limited. This will provide a better context to the results discussion.

Let me now talk to you about the current COVID-19 situation. COVID-19 has emerged as an unprecedented challenge in front of both the global health community who have a responsibility towards public health and the global corporate world who must grapple with the dramatically altered business landscape on both demand and supply aspects. Like every other industry, the healthcare industry was no exception to the challenges faced due to COVID-19 lockdown and the resultant restrictions. It led to a significant impact resulting in drastic reduction in the outpatient footfall in hospitals. This coupled with postponement of elective procedures by patients have adversely impacted the sector. Being in healthcare business is a blessing in disguise compared to other businesses. The critical nature of the industry has ensured some level of business continuity, brought about an improved awareness on healthcare, immunity, hygiene across all population segments, government, health and professionals, etc., We hope this results in a significant upgrade, focus, allocation and seriousness on enhancing healthcare infrastructure in the near future.

Let me talk to you about the interventions Pfizer has done to manage the COVID-19 environment. We undertook several steps to respond to the unique situation. The Company ensured that we took all the necessary steps to ensure business continuity, ensuring availability of medicines to patients and ensured safety and wellbeing of all the colleagues and partners. The Company transitioned into a full work from home model and several measures were put in place for communications, technology, productivity improvements to help



*Pfizer Limited
August 5, 2020*

employees and colleagues cope with this change. The Company's Goa plant remained operational at almost its usual capacity throughout the period except for the first few days of the initial lockdown. The site strictly follows the protocols on social distancing and provides safe working environment. All our contract manufacturing units are operational, though we did have some teething issues in selective units due to high incidence in the geography.

We ensured a safe working environment and took steps to ensure all our CFA (Carrying and Forwarding Agents) partners and employees will render seamless service to customers. We have continued to provide working capital support to the trade. We believe we are the first company in the industry to offer COVID insurance to Stockists and CFAs. We leveraged digital effectively, launched a new customer engagement tool called "VCC" i.e., Virtual Customer Connect and enhanced digital connect with HCPs significantly. The Company also made various contributions to Government, health department, public health care workers, etc., as part of its COVID-19 CSR initiatives. We are well supported by Pfizer Inc. taskforce. We have a national and a regional crisis management team in place to ensure immediate response. As of today, we continue to work from home for all office staff with return to site guidelines issued. However, we started selective field working from 8th of June and approximately around 60% to 70% of field force are in the field with all safety protocols in place.

I will now cover the "Pharmaceutical Industry Overview." Despite being an essential business, pharma industry like other business has been impacted in the last four months. The impact has been varied across segments. Hospital, Oncology, Vaccines, specialist therapies and treatment requiring physical doctor interface have been most impacted. Primary care business, RX, OTX business faced relatively



*Pfizer Limited
August 5, 2020*

lower impact given continuous supply chain management to service the patients.

I would like to thank the Central and State Governments especially the Department of Pharmaceuticals, for providing industry, all intervention and support to ensure business continuity. I would also like to thank all manufacturers, suppliers, vendors, supply chain partners, transport, logistics service providers, stockists, chemists, HCPs, paramedics, hospitals, nursing homes, municipalities, and everyone for the support and ensuring business continuity despite the challenges.

The Indian pharmaceutical market growth for MAT June 2020 is at 6.9% as per IQVIA. Indian companies are growing at 7.7% whereas MNCs are growing at 3.7%. According to IQVIA, Pfizer Limited growth is reported to be 3.9%. As expected, industry reflected negative growth in April to June quarter at -4.9%. Pfizer Limited growth was at -0.9%, which was relatively much better than the industry degrowth. From a negative growth of 11.8% and 7.9% in April and May, June registered a positive 5.8% growth signaling improvement in the environment. IQVIA has projected growth for MAT December 2020 between 0.8% to 2%. A fair degree of recovery is expected in 2021 with gradual improvements over the quarters.

I will now talk to you about “Key Changes in the Business Operating Model of Pfizer in the Recent Times.” Pfizer Limited will continue to be ‘high on science’ and ‘high on innovation’ company. Over the years, we have consciously tried to enhance the share of our global products portfolio and this has resulted in this share moving from 36.3% in 2016 to 48.6% today. That is a pretty good jump from a 36.3% in 2016 to 48.6% today. This is achieved through a combination of portfolio rationalization of domestic brands and launch of innovative medicines,



*Pfizer Limited
August 5, 2020*

like Eliquis, Meronem, Xeljanz, Zavicefta, Zinforo and a significant focus on Prevenar in the adult segment. The established business which we also call as Internal Medicine business which is around 55% of revenue, has seen a see-saw performance over the past few years. We executed a major restructuring in terms of go-to-market strategy for this business in Q4 2020.

We have two distinct operating models for this business. The team undertook a significant restructuring exercise to build an organization poised to deliver the envisaged strategy through a three-pronged strategic approach:- a specialty focus that leverages the strength of science; targeted approach where different go-to market solutions are deployed that are customized to respective territories and the business models that delivers sustainable growth. This has resulted in two distinct GTM strategy. 100% of Pfizer FTE representatives in select territories and 100% contract sales model in the rest of the territories. The above has enabled us to segment and cover the market really well. This also enabled us to increase the feet on the ground, increased focus and productivity, increased coverage and distribution. We believe this model will be a huge turnaround as is evident by the performance during the peak COVID months. The team performed really very well and clocked 100% of its budget during April to June quarter logging in a strong double-digit growth. We as a company believe that we have a good balance of strong established brands and innovative brands to enable us to play a leading game in the IPM.

Let me move towards the “Financial Performance Highlights of Q1 2021.” It is very difficult to exactly identify the impact of COVID. However, if we assume gap to budget is due to COVID, that means whatever was a budget, and whatever we achieved, the difference if you take it, it can be around Rs.101 crores as a shortfall. And given the



*Pfizer Limited
August 5, 2020*

onslaught of COVID in the last week of March, dispatches worth Rs.44 crores were actually invoiced in the first week of April. Hence, the net impact on revenue is estimated at around Rs.57 crores for the quarter.

Given the unique nature of our business which is both established and innovative business, we registered mixed performance. The established business, which we call internal medicine business, logged a healthy 12.8% growth. The hospital which we call critical care anti-infectives, was impacted due to preference to COVID patients in hospitals, drop in electives and other related challenges. This business continues to be under pressure given the current COVID environment. April to June also saw parents skipping vaccination. With some relaxation and improvement in selective locations, we are seeing some catch back. We have initiated digital campaign to encourage parents to get their children vaccinated. Adult vaccination was relatively less impacted, though we did about 5% lower growth in this quarter. Approximately Rs. 30 crores of revenue consist of non-promoted products, some discontinued / divested products and Consumer and Upjohn products which both of this will get divested at some point of time. All of which also logged negative growth.

In summary, revenue from operations for the quarter ended 30th June 2020 is at Rs.515 crores as compared to Rs.544 crores in the same period last year. The current quarter sales were impacted due to COVID, Hospital and Vaccines business have a higher impact as compared to established product business. There has been a significant drop in both inpatient, outpatient footfalls for private hospital chains, be it a single specialty, multispecialty, tertiary care hospitals or even diagnostic businesses. The impact is lesser on chronic therapies v/s acute. Consequent to COVID, expenses too were on the lower side, resulting in profit from operations (before other income and tax) for



*Pfizer Limited
August 5, 2020*

the quarter ending June 30, 2020 at Rs.159 crores, a growth of 13%. Net profit after tax (including other comprehensive income) for the quarter ended June 30, 2020 is Rs.124 crores as against Rs. 113 crores in the same period last year, a growth of 10%. Milind will spend more time explaining the financials in detail.

This year Pfizer completes 70-year of its glorious journey in India. To commemorate this Platinum Jubilee and to optimally use the surplus cash, the company declared and paid a special dividend of Rs.320/- per equity share in May 2020.

I will now hand over to Milind Patil, our CFO, to brief you detail about the unaudited financial results, post which I will come back with Milind to take any questions from your side. Thank you. Over to you, Milind.

Milind Patil:

Thank you, Sridhar and Good evening, everyone. Hope everyone is in good health and spirit in these challenging times and getting accustomed to new normal.

Let me now walk you through our “Financial Highlights” and “Key Drivers.” Revenue from operations mainly comprise of sales and other operating income. Looking at sales first, for the quarter were Rs.505 crores versus Rs.531 crores in the same period last year, lower by 4.9%. The current quarter sales have been impacted due to COVID-19. Current quarter results are also impacted by divestment of rights and interests in certain brands in December 2019. As mentioned by Sridhar, Hospital and Vaccines business has a higher impact as compared to the established products business. Most of the hospitals closed their OPDs. The ICU wards were set aside for COVID patients. Elective and trauma surgeries are almost zero with lesser patient footfall in hospitals due to COVID-19 scare. This resulting in a significant decline in hospital revenue by almost 41%. Primary immunization was adversely



*Pfizer Limited
August 5, 2020*

impacted. Most of the pediatrics remained close throughout the lockdown period, resulting in Vaccines business declining by 23%. Established products in the Internal Medicine team registered a growth of 13% through trade intervention and focus on the legacy brands with medium-to-low dependence on RX generation. Consumer Healthcare that contributes to 1% of sales and Upjohn portfolio that contributes to approximately 3% of sales, declined by 27% and 12% respectively.

Other operating income for the quarter was around Rs.10 crores compared to Rs.13 crores in the same period last year. Other operating income primarily consists of revenue from services provided by Pfizer Limited to Pfizer Inc. affiliates. Lower revenue for the quarter is primarily due to lower incidence of expenses.

Gross margin for the quarter was Rs. 327 crores (65% of sales) vs. Rs. 340 crores (64% of sales) in the same period last year, primarily driven by product mix.

Employee benefit expenses at around Rs. 86 crores (17% of sales) as compared to Rs. 87 crores (16.5% of sales) in the same period last year. This looks at the flat level, but increment for the quarter being offset by the lower field incentives. Finance cost as you know represents the impact of Indian Accounting Standards 116 - Leases

Depreciation and amortization expenses at Rs. 27 crores, which is about 5.4% of sales as compared to Rs. 25 crores, equal to 4.7% of sales in the same period last year. And of course, there is the impact of Indian Accounting Standards 116 - Leases.

Other expenses at around Rs. 65 crores, which is 13% of sales, as compared to Rs. 100 crores which is 19% of sales in the same period last year primarily due to lower travel expenses and sales promotion



*Pfizer Limited
August 5, 2020*

spend due to a nationwide lockdown and restriction on movements because of COVID-19 and lower freight and forwarding charges due to lower sales.

Other income at Rs. 17 crores compared to Rs. 36 crores in the same period last year. Other income would include basically the interest income on bank deposits, rental income and insurance claim, write backs and deferred revenue income. The special dividend payment in May '20 coupled up with decreasing interest rates, have resulted in lower interest on bank deposits which has been the primary reason for lower other income.

As a result, profit before tax is at Rs. 173 crores versus Rs. 175 crores in the same period last year. Profit after tax at Rs. 125 crores compared to Rs. 113 crores in the same period last year. Effective tax rates last year on the basis of old corporate tax rate at around 30% which was subsequently reduced to 25%. EBITDA for the quarter at 37% versus 31% in the same period last year.

With this, myself and Sridhar, we are happy to take any questions from you. Thank you.

Moderator: Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Gagan Thareja from Kotak Securities. Please go ahead.

Gagan Thareja: My first question would be around the vaccine portfolio, Prevenar. Could you split it up between the adult version and the pediatric version and give us some idea of how the sales have moved for the adult version and how they moved for the pediatric? And a related question in Prevenar, Serum has got its approval from DCGI for the



*Pfizer Limited
August 5, 2020*

pneumococcal vaccine. What impact do you see because of this on the private market?

S. Sridhar:

Like I told you that April to June quarter, a lot of parents did not take the children for vaccination. So, as a result, we did have a decline of close to about 25% sales of Prevenar infant during the quarter. And we clocked roughly around Rs.11-odd crores of sales of adult, the difference being the infant. Coming specifically to your question on Serum, as an Indian, I am very happy to have an Indian company come up with the innovative vaccine, so really happy for that. With regard to impact in our business, we believe that currently the penetration of vaccination in children segment is very, very low in the country today. So, we believe that more competition will only enhance more children getting vaccinated. So it is going to just expand the market to enable and therefore more competition in this segment is welcome so that more and more children will get vaccinated. Having said that, yes, there may be initial disturbance when they launch it. However, we believe that our product has 20-years of efficacy proven today in India and across the world, and therefore we are now talking of a product which has been efficacy-proven with a very strong manufacturing heritage and one which has absolutely no issues and a clinically differentiated vaccine. That is what is going to be our strength. So, therefore, we will continue to advocate to the health care professionals the strength of vaccination. And I believe in India, a brand which is established in terms of quality and efficacy will win. So, from my context of it, I believe, I welcome the competition, and at this juncture am I overly concerned? no, I believe the market will expand and everyone will have a share of the pie.

Gagan Thareja:

Closing FY'20 what proportion of your Prevenar sales would have come from the adult version?



*Pfizer Limited
August 5, 2020*

- S. Sridhar:** Roughly Rs.50-odd crores.
- Gagan Thareja:** How do you see that growing for you, I mean, you are seeing a good market offtake, I understand that, COVID would have disrupted it, but if you normalize it, what would your assessment be regarding the adult version?
- S. Sridhar:** I fundamentally believe that the time is very ripe for a very strong adult immunization business in the country, especially COVID has given a lot of awareness on Immunization and health. So even before that, we were tracking pretty well on adult vaccination, very, very strong, high double digit growth is what we were having in adult vaccination. And our future is going to really have a significant focus on that in the next couple of years, and you will see a significant share of our adult vaccination going up in the overall vaccine portfolio.
- Gagan Thareja:** My second question is around Eliquis which I think last year would have been Rs.60-odd crores of sales for you. Natco has already got an approval for the product and I think has already launched it although there is a stay on the other companies who intended to launch it. What impact do you see because of Natco coming into the market on Eliquis, both on price and volume? And secondly, what is your assessment of the competition, will the others manage to come in or do you feel that their legal case would not be strong enough to be able to break into the market?
- S. Sridhar:** Just to let you know that Natco is not in the market. They launched a few batches in violation of a patent. We managed to move the Delhi High Court and Delhi High Court actually stayed the further launches. So therefore, Natco is not in the market at all. And our patent is valid and we have successfully defended our patent. And we believe that the Indian patent regime should respect the patent period which the



*Pfizer Limited
August 5, 2020*

Company has been given for. And therefore, there is no impact of any Natco launches and we do not recognize any illegal launches in the country of this product.

Gagan Thareja: So Eliquis is growing on a steady state basis apart from the fact that it is a hospital product and therefore would have been disrupted by COVID?

S. Sridhar: Eliquis is not completely a hospital product, I mean, there is a lot of dependency on doctors, cardiologists also prescribe. It is a combination of cardiologists practicing in the hospitals and outside. Yes, we did have impact because some time it really does require the patients to meet the Doctor and therefore there was a short term blip out there. But otherwise patients who are on Eliquis they continue to take medicines on compliance. So we have not really seen that level of impact on Eliquis as compared to the hospital products or vaccine products.

Gagan Thareja: Eliquis, has it been able to take market share from the older generations of drugs for the same therapeutic indication given its bigger efficacy, do you see a market share gain for Eliquis?

S. Sridhar: Significantly, 31% in the market as of now.

Gagan Thareja: Coming on to Zinforo and the Zavicefta which you launched last year, what sort of a ramp up did you see and what contribution to sales came from these two products for FY'20? And, again, normalizing for COVID what do you think could be the growth path for these vis-à-vis Meropenem?

S. Sridhar: Zavicefta was launched last year and it is doing really very well, we are closer from Rs. 32 - Rs. 33 crores last year and we do expect this to really do well in the next few years. Zinforo is a recent launch, it needs



*Pfizer Limited
August 5, 2020*

time to settle down, we have just launched in December this year and therefore should do well as it moves along.

Gagan Thareja: Your base business which is almost half of your sales, which you call I think internal medicine, the established business, it has had a very nice 12%-13% growth for the first quarter, do you see this momentum sustainable or sustaining through the year?

S. Sridhar: First of all, we do not really predict the future growth. None of these products really have a COVID impact in terms of offtake. Probably you consider to some extent Becosules which have an immunity component etc., I am hopeful that with the new operating structure we have put in place, we should see a very strong growth on this portfolio going forward. And when I look at it in the last couple of months also, this team has continued to hold well in June and July also. So I am hopeful this will continue into a good growth momentum for the future.

Moderator: Thank you. The next question is from the line of Ashish Thavkar from Motilal Oswal AMC. Please go ahead.

Ashish Thavkar: Sir, your vitamins portfolio has grown pretty well as per the data. So, in such difficult times of crisis, how do you see these VMS portfolio shaping up because obviously people getting more conscious and the craze for immunity boosters, how do you plan to capitalize on the opportunity?

S. Sridhar: Frankly, none of our products are really promoted for COVID specifically. People generally take it for immunity. We have a full range of multivitamin from Becosules to Becosules Zinc to Becosules performance, Becosules plus to Becosules Women. Therefore we have positioned Becosules to different segment of patients needing this



*Pfizer Limited
August 5, 2020*

different kind of medicines. And also this being a flagship product, we have continued to retain a focus on making our product detailed and very close to the doctors. Despite being a very old product, we still put a lot of emphasis on detailing to the doctors, and hence as a result, Becosules has been doing very well. Of course, the reorganization which we have done has also enabled Becosules to be sold in the wider number of territories. It is a pretty old brand and a well known brand. So, the doctors relate it pretty well. So, the whole reorganization structure and to some extent probably the immunity concept has also helped the brand and hence we believe that overall as Becosules grew, we are in a very good position to meet the different segments of the population with this portfolio what we have.

Ashish Thavkar:

Similar questions would be on anti-infective portfolio as well. Obviously, this portfolio has declined given the low footfalls as you have mentioned, any visible signs of demand building on the hospital side and any color on this would be helpful?

S. Sridhar:

This is one area where I am actually really struggling to really forecast, Ashish, because currently, most of our antibiotics are used in critical care environment, elective surgery, a lot of transplants, lots of critical care situations. And to a large extent, they have been really moved away and most of the hospitals are now treating COVID patients and really high emergency patients there. And the way I was looking at it was about a month back we had three major cities which were really struggling, which were Delhi, Chennai and Mumbai. But then over the last few weeks, we are seeing a big change from these 3 centers to a broader geography. Therefore, it is a very moving trend. At this juncture, that is one business I'm not able to really predict the hopeful. And secondly, I also believe that there will be a lot of infrastructure gap. Its a challenge and therefore it is not necessary all those patients who



*Pfizer Limited
August 5, 2020*

did not opt for elective, will overnight come over to the hospital. We do not have the capacity. It will be little staggered over a period of time. And it all depends on how the COVID situation stabilizes. And we have got a very solid brand whether it is as Zavicefta, Zinforo, Meronem, Magnex, Zosyn, you name the brands, they are the best-in-class. We are leaders in anti-infectives and therefore the minute the system stabilizes, we should really get back into business, but I am finding very difficult to really predict the timelines on this business.

Ashish Thavkar:

Last question from myself will be on the digital marketing platforms. Obviously, other expenses has come down, but how long do you feel the expenses would continue to remain on the lower side because of low travel costs, low promotional costs and obviously, lesser extent doctor conferences, so, would the benefit of these lower costs be visible in the coming quarters as well and your view on the digital platform going ahead, is it one-time kind of a thing, or you feel this is a new normal now?

S. Sridhar:

I do not believe these things can be one-time. We learn and I feel the whole COVID situation has really forced all of us in various formats to do different, different things. I never expected that across my organization, 650 colleagues sitting in head office, overnight closed the office and the next day operating seamlessly from their residence. it happened though. I would never have dreamt of this happening in the normal course of life. We would have said not possible. We have done digital advisory boards. Ad boards are generally done in person that are close to 10 to 12 doctors coming together. We have digital brand launches – Zinforo was 100% digital brand launch. There was no launch which happened physically, 100% digital brand launch. We started engaging doctors through VCC. We have done about 20,000 pediatric connects in the last few months. We have done about 10,000 doctors



*Pfizer Limited
August 5, 2020*

in the anti-infective hospital sector. And those kind of connects are personal. We take appointment with the doctor, do a digital exchange, share the information, the quality of calls is significantly better. Some of the webinars have become very, very powerful. A lot of international meetings WebEx have become far more easier for the doctors to attend at their convenience. So I think culturally and practically this COVID has also led to some learnings. So I think if we were to lose some of these learnings, it will be a shame according to me. So, I do believe that the digitization or the proper digitization will continue to be there. Probably will come down as things stabilizes, but it is going to be a significantly higher proportion compared to what it is. So given option, the first option would be "Can we do this digitally?" And I think if all of us say yes, then this is going to be the preferred mode of doing it. We are in the second quarter, we already have a July and August starting, we were not in normal mode in July, August. So at least these two months are not normal. That mean similar thing of last quarter continuing. I do not expect it to be normal. So, second quarter is definitely a continuation of what happened in Q1. So therefore, we will continue. Starting from Q3 onwards, with things improving, there will obviously be increased interfacial interaction because at the end of the day digital can only do that much, you need to have interaction, However the digital way of interaction will not go away, it is going to remain in the future also.

Moderator: Thank you. The next question is from the line of Chellappa S from Pari Washington. Please go ahead.

Chellappa S: I want to know what number of products launched last year March '20 and then the revenue from the new products?



*Pfizer Limited
August 5, 2020*

S. Sridhar: So last year, about 8% of our sales came from new products; they clocked close to about Rs.170 crores.

Chellappa S: I would also like to understand the discontinued Corex in FY'17 and in FY'16 was a peak revenue. Could you give us an understanding of what was the revenue from Corex and extension in FY'16 and then last year FY'20, that will be helpful?

S. Sridhar: In FY'20, the entire Corex grew around Rs.120 crores and it was close to about Rs.250 crores in its peak when it was discontinued.

Chellappa S: Out of our sales, what is actually imported and then what is from our own production and what is sourced from contract manufacturing?

S. Sridhar: We are fairly good spread out there. In terms of imported product, it is about 33% of our sales, in terms of traded product, 15%, own manufacturing around 24% and toll manufacturing about 28%.

Moderator: Thank you. The next question is from the line of Charulata Gaidhani from Dalal & Broacha Stock Broking Private Limited. Please go ahead.

Charulata Gaidhani: Are you seeing any increase in touch points thereby looking at improved sales for the year because of digitization?

S. Sridhar: Good question, Charu. We are looking at how do we really look at our KPIs for our field force going forward. I think the last three to four months has given us a new way of looking at the market. We may want to move to a touch base kind of a point of KPIs and obviously higher the touch points there should be improved sales, but how and what is very difficult to quantify but we are definitely thinking in that direction. I may not be not able to really quantify that into a sales form at this juncture but that is a new trend, yes.



Charulata Gaidhani: Secondly, how is Minipress performing in the market? And the gross margin improvement because of product mix, if you can add some color to that?

S. Sridhar: I will cover the Minipress and then Milind can cover the gross margin. Minipress, as you know has some kind of a supply issues over the last couple of years. But over the last six to eight months, we have a continuous supply available. So therefore, we are doing really well. We clocked about Rs. 22 - Rs.23 crores in this quarter and we believe that we should be on way to clock around Rs.70-80-odd crores on an annualized basis, so we should get all our patients back. So that is our thinking on Minipress. It is doing well. We are getting back our patients. We are sorry, we were little out of supply in between, but then the issue is resolved now. So at least for this year, we have a very good supply, we are getting back.

Milind Patil: When we look at the gross margin mix, higher sales of Corex, Gelusil in the IM portfolio and even women healthcare products portfolio have a higher gross margin and therefore, in terms of composition, you will have a higher gross margin percentage, of course, it is marginal 1% but that is the basic granular view.

Charulata Gaidhani: In terms of the patented product sales in the COVID environment, do not you see higher sales of Zavicefta or Zinfofo?

S. Sridhar: Zavicefta is a highly critical care and for high risk patients. Frankly speaking, with COVID kind of environment which is being occupied, they are not into that kind of a treatment. So therefore actually no.

Charulata Gaidhani: What has been the total contribution from hospitals and vaccines in Q1? And how much do you expect it for FY'21?



*Pfizer Limited
August 5, 2020*

S. Sridhar: In terms of hospitals and vaccines for Q1 roughly about, you can say a little more than Rs.100 odd crores is a sale of these two businesses. It is very difficult to predict the future going forward because hospitals are like I said very, very difficult. It all depends on how the environment is going on. Vaccines, I do expect the catch back and should take off in a pretty well manner. So vaccine definitely can do better than hospitals given the environment.

Moderator: Thank you. The next question is from the line of Cyndrella Carvalho from Centrum Broking. Please go ahead.

Cyndrella Carvalho: Sir, slightly maybe too early to ask, but just want to understand on the global Pfizer trials on the COVID vaccine, are we going to assist them on Indian patient pool size? And if yes, then have you started or when have we started? The other question that I want to understand is if it is successful and it is available, would we be launching it through our listed entity?

S. Sridhar: Thank you for the question. To give a very short answer, it is too early to comment on that because one, Pfizer is still in the phase-2, phase-3 development stage though Pfizer is hopeful of a very positive turnaround. They are making 100 million vials for 2020 to keep it ready. And probably if everything works well they should scale up to about 1.3 billion vials in 2021. However, this is a very pandemic-related vaccine for COVID which is in high requirement across the world, across various governments. Unlike any other vaccine launch, it will be a very different kind of approach which governments will take across the world. So, different countries will look at their sourcing and therefore, primarily the governments across the world will have the first right to procure for their citizens. So, in that regard different countries are in discussion with different manufacturers including Pfizer. Coming to the Indian



*Pfizer Limited
August 5, 2020*

context, we are probably a little bit of a different environment is because one, the Indian Government has got options to get some donation from GAVI or a COVAX facility, which being set up, which will buy medicines, vaccines from various companies and donate that to various eligible underdeveloped countries. India, probably just qualifies for some donation. And that is something I do not have any confirmation. The Government to work with GAVI, as you all know, a lot of Indian companies are also developing the vaccination currently today. So at some point of time Indian Government will also have access to the vaccines made in India. They also will keep their options open to source medicines from other companies outside of India based on the requirements. So, currently, I believe that the task force which is underway in India, which is evaluating all the requirement of vaccinations, and based on their initial study, on their landscape, they will probably come out of their sourcing plan. At this juncture, we do not have any plans and we are still understanding Pfizer's situation. We will reach out to the Government to see what they require, whether it goes straight from Pfizer, whether they buy from Pfizer or not, we do not know because the Indian Government will not give any kind of commitment at this juncture. At this juncture, it is very, very difficult to say. We will have to wait and watch for some more time. But it is a hot topic for sure. It is a wait and watch.

Cyndrella Carvalho: Yes, I totally understand that. And that is why I mentioned, it might be a little too early to ask. Sir, the next question is on, Minipress, You said that we have done with the shortages kind of scenario and we should have a regular supply, is that a correct understanding? Because the IQVIA data, we are seeing that April month was showing some good jump, but then May and June were slightly very weak. So I thought that it is not yet clear, but is it correct that the shortages are behind us now?



*Pfizer Limited
August 5, 2020*

S. Sridhar: So effective December this year or even probably quarter we would say around October, November 2019 onwards we have been having fairly consistent supplies. We have managed to get enough inventory there. So we are fully available in the market currently today. Maybe it is a reflection issue, but as we are concerned, from October, November we are fully in the market.

Cyndrella Carvalho: That's right. Sir, and just want to understand, barring the anti-infective hospital dependent segment, from June month how is the recovery we are seeing in other segments in the woman's healthcare and the vaccine side? Could you help us with some color as to what is the recovery level? Are we closer to the pre-COVID level yet, where we are? If you could help us with some color there.

S. Sridhar: So, like I said, when you call established internal medicine which is GI Pain, Respiratory, VMS, Women healthcare, Chronic Care or whatever you want to call it, none of them were majorly impacted during the peak COVID months of April, May June. We were lucky to get a very strong supply chain in place, we supported the traders with working capital support, we had a very, very innovative supply chain solutions to make our products available. So we did not really see any major impact on our internal medicine in the quarter. So therefore, as I am concerned, it's business as usual for that segment in quarter one and there is no question of any recapping, it can only do a little better with the new model we have put in place, okay.

Hospitals and vaccines definitely took a hit. Hospitals continue to be a challenge till the environment shapes up. Vaccine we did see improvement catching back in the month of June and July. Hopefully, vaccine should start doing better. But I am hoping this COVID environment does not lead to another major complications or shut



*Pfizer Limited
August 5, 2020*

down. If not, then vaccine should start catching back in a good level to probably pre-COVID conditions in next month or so.

Cyndrella Carvalho: Yes. And sir, just one more question. I have more questions on this front, but if you could clarify in terms of the EBITDA margin, we understand that it will be subdued given the entire lower promotional and all expenses, but how should we look at in a qualitative manner going ahead, which is a more normalized, if you could indicate? And if any other product launches from the patented basket that we are planning for the remainder of the year?

S. Sridhar: I will answer the second question first, and I will give it to Milind on EBITDA margin. We are considering a few products but at this juncture I am not able to answer those questions. Like I said, our strategy is to maximize what we can from our global portfolio. We have seen a big shift in our share of global business versus the total and we will continue to maximize. We do have a couple of things lined up, but it's too early to announce at the juncture. But we will keep you posted as we go along. And Milind, on EBITDA?

Milind Patil: Cyndrella, as what Sridhar mentioned some time back, this quarter in terms of reduction in expenses is something which is not a normal business. We will probably have benefit of this flowing into the next quarter. But as the normalcy restores, I am sure there will be competitive intensity going up and then sales promotion and traveling will get back to its normal level. Of course, we will leverage the digital platforms, but I don't expect the same level of expenses to continue. That said, maintaining 37% of EBITDA margin going forward will be a tall task. What percentage it will come to, it's not something good to predict. But I would say, as you look at the past trends, we will come to a good margin in the range of about 25% to 30%.



*Pfizer Limited
August 5, 2020*

Moderator: Thank you. We will move on to the next question from the line of Alroy Lobo from Kotak Investment Advisors. Please go ahead.

Alroy Lobo: First question is on the woman health portfolio. Just wanted to know what was the proportion of sales last year? And how is it progressing in this particular fiscal year?

S. Sridhar: So women healthcare sales is about, you can say, Rs. 100-odd crores business in the quarter, in April to June quarter. Women healthcare sales means the contraceptives and the whole host of the portfolio there. And for the entire year, you can multiply by four, that will be the easy way of looking will be around Rs. 400 odd crores.

Alroy Lobo: I didn't get it, last year was how much?

S. Sridhar: So this quarter was around Rs. 100-odd crores. And you can project it saying, into four will be rough way of looking at it.

Alroy Lobo: Okay. And are you picking up share in this portfolio, is your share increasing?

S. Sridhar: It varies, for example, in Mucaine which is an antacid we are doing really very well. Contraceptives, we are probably a little bit flat or a little better. Folvite is doing well, our folic acid range is doing really well, especially when we look at the plain folic acid, Folvite MB and all line extensions, so that's doing really well. Autrin is doing well, iron supplements are doing well. So it's a mix there. But contraceptives probably could have been a little better.

Alroy Lobo: Okay. The next is on Prevenar, the adult vaccine which you have launched. Going forward, do you think it could come as large as the pediatric vaccine?



*Pfizer Limited
August 5, 2020*

S. Sridhar: Okay. So first of all, we have not launched adult vaccine, it's the same vaccine which is basically for pediatric and adult. So we have been having this for some time, okay. The only thing is, what we have done in the last couple of years is, we have really increased our focus on adult significantly. And I do believe that if the environment goes well, it can be as big as the pediatric one.

Alroy Lobo: And just wanted to know your sales number for Minipress XL last year?

S. Sridhar: Last year, we had some shortages, etc. You can take on average of about Rs. 80 crores annualized.

Moderator: Thank you. The next question is from the line of Abdulkader Puranwala from Anand Rathi. Please go ahead.

Abdulkader Puranwala: Just one question from my end. It relates to the opportunity coming from the current pipeline. So, the parent is testing 20 valiant to Prevnar, and I believe that the initial results what it has been showing is quite encouraging. So sir, any thought through from your end as to would those be launched through the listed entity and how soon once the product gets launched in the US, how soon can we see that in India as well?

S. Sridhar: So first of all, it's too early to comment on it, Abdul, because it's still in the early stages of development. I think the earliest I see that is around 2023 or something, it's not going to be anywhere earlier than that. It's going to go through long-drawn process. And secondly, there are no wave one, wave two, wave three anymore, at least as far as India is concerned. So we are hopeful that if it is successful and we should be able to get it faster, but it may take a lot of time to get in. It is not as early in the short-term horizon.



*Pfizer Limited
August 5, 2020*

Moderator: Thank you. The next question is from the line of Varun Goenka from Nippon Mutual Fund. Please go ahead.

Varun Goenka: Actually, my questions related to Vaccines and EBITDA margins have already answered. So I wanted your view regarding the e-pharmacy side. One, there is consolidation happening there, does it really give some legs to our growth in any way, increase our distribution? How does the pricing work there? And in all, how do you see that working for our company? Can you give a broad view on that?

S. Sridhar: Great question, Varun. Thank you for the question. So my view is that we need to look at the whole market into probably two or three segments. Segment number one is the acute care portfolio. The second one is a chronic care portfolio. And the third we are looking at it as a very specialist, high-end, therapy-shaping portfolio. For acute kind of a portfolio, I do believe that current shops of the retail chemists, availability closer to chemists, etc. will continue to really do well and that's your 60% of the market today, okay. So therefore, typically the operating model is, you go to the doctor, you get a prescription, you tend to go next door, pick it up. So therefore, I do believe that will probably be a sustainable model. Whereas a chronic care may be a good opportunity for e-pharmacies where it is a more regular supply, you buy it for a longer period of time, and therefore you tend to get in there. So therefore, e-pharmacies have a pretty good, obviously, I am not saying they have nothing for acute, but I do believe in terms of the landscaping we put, it is there.

Another area where e-pharmacy can really shape well is in therapy-shaping areas. For example, in smoking cessation, or even say vaccination, or rheumatoid arthritis, or some of those areas, for example, stroke prevention where you combine a supply of medicine



*Pfizer Limited
August 5, 2020*

with sort of a compliance management, health and wellness kind of a thing there. So if the e-pharmacy moves away from just being a supplier and gets into a sort of wellness thing, I think it could have far more potential to create a differentiation to patients. So that's what I look at it. I would expect a lot of typical e-pharmacies would move across to a little bit more value added services. You have already seen that happening in quite a few of them. And I do believe that would be the future. And therefore, any therapy which has got a therapy-shaping, which a typical chemists can't provide, maybe those are the areas of partnership for some of the longer term therapy-shaping areas, for specialty medicines especially. That's what I would say, Varun.

Varun Goenka: Okay. And in terms of distribution or reach, or maybe you can help us understand what would be your top-10 city sales versus the next 30. Does it really help in distribution in anyway?

S. Sridhar: The e-pharmacy?

Varun Goenka: Yes.

S. Sridhar: No, I don't think so. I think with the current fragmentation of our supply chain, we are very well entrenched in our traditional chemist as well, as entrenched everywhere. I don't think it's going to help distribution per se. What can enable it is compliance, trying to probably give it a convenience of a home in case you are not able to go down to buy it, or a chemist is not able to supply it. But I am not too very certain it will increase the distribution per se, but definitely it will increase compliance.

Varun Goenka: Absolutely. Just a final point on our media strategy per se. I am seeing a lot of, one, this quarter or this year the margins cannot be taken. But otherwise, what do you think is the sustainable reinvestment that you



*Pfizer Limited
August 5, 2020*

have to do in terms of S&D ad spend? And is there a change in the channel there?

S. Sridhar:

I don't think we need to really do any major changes in the investment. One area we are definitely investing is on vaccination, where we are aggressive on a medium to get parents back, and that is different there. We are also trying to create new accessibility locations for vaccination like trying to set up vaccination centers, trying to create vaccination at home. We are trying a different move when it comes to vaccination. So there you will see a different investment levels going in there, not to catch back what we lost. Yes, so pediatric is to catch back what we lost, but for adult it is more awareness and accessibility and enhancement getting in there. And that will see a very different go-to-market strategy and a very different spend patterns going forward.

On the hospital side, it will be more about expanding your reach to more accounts. I think given there are a lot of pressures in the hospital margin environment, we need to really make sure we get more accounts and able to bundle our offering to hospital differently and try to give different operating model. So hospital may be a little bit of expansion, trying to get into different cities and geographies and see what best we can do, especially now we have got some innovative anti-infectives like Zavicefta and Zinforo with us, that is a good headroom to get into some of those areas there.

Internal medicine could be more efficiency, leveraging some of the consolidation of stock trade. A lot of change happening in the go-to-market on the stockiest consolidation, go-to-market like I said, we have a separate contractor sales organization for some of the territories, how do we really encash that. So those are the some of the changes I am going to see going forward in the future. But specific to your question



*Pfizer Limited
August 5, 2020*

on cash, I don't see a significant investment other than pediatric vaccinations, otherwise all investment is really for the operating model.

Varun Goenka: Right. Just the range of S&D, I mean, 8% to 10% of sales, 7% to 10% of sales or what could be a ballpark.

S. Sridhar: It varies. For example, established business medicine ranges from 3% to 4%, because that is a high volume there. Whereas, a vaccination could be as high as 15% or 10%. Hospital business could be around 10%. So it varies from business to business, on average, given a 50:50 spend, you can take around 8% or 9%.

Moderator: Thank you. Next question is from the line of Chellappa S. from Pari Washington Company. Please go ahead.

Chellappa S.: Yes. I just want to understand, what is the revenue in the financial year 2020 in respect of the products, which would be going to the Mylan Upjohn merged entity (Upjohn Products).

S. Sridhar: Around Rs. 80 odd crores.

Chellappa S.: Okay, thank you. And also want to know, what is your CAPEX plan for next year, including maintenance CAPEX?

S. Sridhar: We are not into major CAPEX spending, therefore, it will be regular few crores of operational CAPEX, nothing significant.

Chellappa S.: Okay. Any update on the Thane land sales?

S. Sridhar: So, we got approval for part transfer of the land. We were not very happy with receiving a part transfer approval. So we are in discussion with MIDC and looking at other options to say how we should move forward. We have received a part transfer, but we have not proceeded



*Pfizer Limited
August 5, 2020*

on that. But we have full money for consideration with us. We will look at various options.

Moderator: Thank you. The next question is from the line of Gagan Thareja from Kotak Securities. Please go ahead.

Gagan Thareja: My question is that, with the new competition coming in, in Prevenar, there will be a market disruption. And seeing that the impact of that disruption, is it a reasonable case or a reasonable probability case that the disruption in sales that could be seen in Prevenar could be of the order that you saw in Corex? Or that is way too remote?

S. Sridhar: No, like I said, one, I welcome the competition. It's more because I think it's going to expand the market. And that's what we saw earlier, and therefore I do believe, given the very low penetration of birth cohort or vaccination on pneumococcal, this competition will just enhance the coverage. And that's very good for Indian children. Having said that, we believe that our product is superior, we believe in terms of established efficacy over the last 20 years across the world, and last so many years in the country with zero side effect or without any quality issues, heritage of manufacturing, product quality, the clinical differentiation what we have under length and breadth of the data what we have, and the brand which is related to child health is something very, very strong. So therefore, I do believe we have a very strong case in terms of making it. So at this juncture I am not really worried. And we are still going to be the only 13 valent in the country, we are 13 valent, there's no other 13 valent, so please keep that in mind.

Gagan Thareja: Right. And the other related question is that, I think for India, GAVI funding was subject to serums' approvals. So now GAVI is out, if I understand it correctly, whenever the next program happens under UIP, I mean, is it that the new competitor would largely be focused on



*Pfizer Limited
August 5, 2020*

the Universal Immunization Program and the private market would, therefore, sort of remain the way it was, its dynamics would not change too much?

S. Sridhar: I have no idea because I cannot answer for them. As far as I am concerned, I am happy to have more competition in my business because that is going to make my product be more differentiated and better known in the Doctors Chambers', it's going to just make my brand create the differentiation, so I am very happy for competition wherever it comes. And as far as NIP is concerned, yes, your GAVI funding gets over now and therefore as and when the government retenders, we will participate in that and then we will see what happens.

Gagan Thareja: Okay. And on the new product, you did indicate that you have a few lined up, if you could from a five year timeframe give us some idea of the therapeutic segments in which the new products could be coming in or some order of magnitude of revenue contribution that that these could have, I mean, you have already indicated that new products, I think last year, was around Rs. 170 crores, if I heard it correctly, of your sales. How do you see that growing? And if you could give some idea of, as I said, the therapeutic areas and number of new products.

S. Sridhar: All I can say is, we will try and see what we can do to maximize the Pfizer portfolio in the country. That's all I can tell you.

Gagan Thareja: And on the domestic branded sales, is the trade generic to branded generic sort of ratio getting improved?

S. Sridhar: We are not in trade generics.



*Pfizer Limited
August 5, 2020*

Gagan Thareja: I understand that. But I am saying that from a competitive standpoint, do you see trade generics, in your therapeutic segments and has COVID sort of worked in in favor of the trade generics vis-à-vis the branded generics or on the whole for the market?

S. Sridhar: So, generally we have not been really impacted by trade generics, historically, because the segment we operate and segment they operate and the geography they operate were very, very different. However, we did see that in quarter one with COVID, some of the cough syrups, etc. were not available the way it was earlier. And therefore, we did take advantage of that gap in quarter one, and therefore, we had a very good sale of cough syrups in quarter one for all Corex related, especially Corex DX.

Gagan Thareja: For Nexium and Meronem how have the two products shaped up for you in the last year and where do you see them going?

S. Sridhar: So Meronem is one of the early innovative products of Pfizer we have launched out here. For this quarter, we clocked about Rs. 11-odd crores this quarter. And we believe that there is a specific customer base for Meronem, because when it comes to critical care patients, doctors don't really take a risk, they want to prescribe the best product. So therefore, Meronem holds on to it, it is a 100 crores product in a year, and that's our ambition. And it has got a selective hospitals and has selective patients which are given Meronem. So it's Rs. 100 crores product and we are happy with that. We are happy with the growth, it's early double-digit growth, and that is what we are clocking on.

Gagan Thareja: And Nexium?

S. Sridhar: Nexium is also doing reasonably well. It's currently clocked about Rs. 20-odd across all of last year, and given for the restructuring event, the



*Pfizer Limited
August 5, 2020*

brand took a hit little bit. I am hoping this Rs. 20-odd crores will actually double up in the next year or so.

Moderator: Thank you. The next question is from the line of Cyndrella Carvalho from Centrum Broking. Please go ahead.

Cyndrella Carvalho: Just wanted to understand the timelines on the Viatrix portfolio transfer, if you could highlight?

S. Sridhar: Cyndrella, we are working on it with Pfizer Inc. We are hoping it happens fairly soon. It should be fairly soon.

Cyndrella Carvalho: Okay. And sir, if I just could squeeze in the last one. I just wanted to understand that in terms of the entire hospital scenario that we are seeing impacted by COVID, if it's to say that this scenario does expand or somewhat stays half the way till Q2, do you anticipate any kind of benefit or a pumped-up demand in the second half of the year? Is there any sense on that that you could provide?

S. Sridhar: So, like I said, the hospital business is very difficult, especially we are in a very critical care segment, we are only in critical care segment, okay. And critical care segment in most hospitals or ICUs are already full, there is no ICU which is remaining empty. And therefore, even if all the patients have missed out on the elective surgery and all the transplant, etc., they want to come back, there is only a number of ICUs in the country to take that on. So it's not that overnight in one quarter all those patients get treated. Even today when you go in for an elective, the waiting list is a few months before you really get into a proper thing. So I don't see an overnight major change happening. It will be gradual catch up.



*Pfizer Limited
August 5, 2020*

Cyndrella Carvalho: Okay, just the last one, sorry. But we are in Prednisolone which is kind of in the South Indian Keralite hospitals like we heard a lot use of this, and this is part of our portfolio. So have we seen some demand here? How is the support from end to this critically ill patient, any comment on that would be helpful?

S. Sridhar: So, like I said, Prednisolone is used by doctors, depending on the patient's condition. And every patient for COVID is not having the same symptoms. So currently, all treatments are symptomatic based on what symptoms that patient displays. And therefore, some doctors use Prednisolone, some doctors use HCQ, it all depends on various factors. And obviously, in some places, some doctors are having some elements ailments where Prednisolone is being used.

Cyndrella Carvalho: And which were the brands which we sold in December 2019? Could you highlight which brands they were and what were their contribution in FY '20?

Milind Patil: These are two brands, we are talking about Wymox which we divested to Abbott. And then the second one is Diamox which we divested to Sun Pharma. Annual sales of both these brands put together is in the range of about 30 crores.

Cyndrella Carvalho: Both put together?

Milind Patil: Yes.

Moderator: Thank you. Ladies and gentlemen, that was our last question. I now hand the conference over to Mr. S. Sridhar for his closing comments.

S. Sridhar: Thank you, everyone, for joining in to this call. I appreciate that we are meeting and having this call after a long period of time. And I am hoping this COVID situation really, really stabilizes and we get back into normal.



*Pfizer Limited
August 5, 2020*

And like I said, we in healthcare are blessed compared to most of the industries. With opening of the system, we are hoping we see improved business performance in outer years and look forward to talking to you soon. So, thank you very much once again for dialing in today. Look forward to talking to you. Thank you very much. All the very best. Bye, bye.

Milind Patil: Thank you very much.

Moderator: Thank you. Ladies and gentlemen, on behalf of Pfizer Limited, that concludes this conference call. Thank you for joining us. And you may now disconnect your lines. Thank you.

0 0 0

Disclaimer:

Certain statements made in this Conference Call may be forward-looking in respect to the Company's business strategies and plans, future financial condition and results of operations. These forward-looking statements are by their nature subject to significant risks and uncertainties and actual results, performance and achievements may be materially different from those expressed in such statements. Although the Company believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and therefore, there can be no assurance that the results contemplated in the forward looking statements will be realized. Pfizer Limited undertakes no obligation to revise any such forward-looking statement to reflect any changes in the Company's expectations in this regard.