

# Consolidated Statements of Income

Pfizer Inc. and Subsidiary Companies

(MILLIONS, EXCEPT PER COMMON SHARE DATA)	Year Ended December 31,		
	2019	2018	2017
Revenues	\$ 51,750	\$ 53,647	\$ 52,546
Costs and expenses:			
Cost of sales <sup>(a)</sup>	10,219	11,248	11,228
Selling, informational and administrative expenses <sup>(a)</sup>	14,350	14,455	14,804
Research and development expenses <sup>(a)</sup>	8,650	8,006	7,683
Amortization of intangible assets	4,610	4,893	4,758
Restructuring charges and certain acquisition-related costs	747	1,044	351
(Gain) on completion of Consumer Healthcare JV transaction	(8,086)	—	—
Other (income)/deductions—net	3,578	2,116	1,416
Income from continuing operations before provision/(benefit) for taxes on income	17,682	11,885	12,305
Provision/(benefit) for taxes on income	1,384	706	(9,049)
Income from continuing operations	16,298	11,179	21,353
Discontinued operations:			
Income from discontinued operations—net of tax	4	10	(1)
Gain on disposal of discontinued operations—net of tax	—	—	3
Discontinued operations—net of tax	4	10	2
Net income before allocation to noncontrolling interests	16,302	11,188	21,355
Less: Net income attributable to noncontrolling interests	29	36	47
Net income attributable to Pfizer Inc.	\$ 16,273	\$ 11,153	\$ 21,308
Earnings per common share—basic:			
Income from continuing operations attributable to Pfizer Inc. common shareholders	\$ 2.92	\$ 1.90	\$ 3.57
Discontinued operations—net of tax	—	—	—
Net income attributable to Pfizer Inc. common shareholders	\$ 2.92	\$ 1.90	\$ 3.57
Earnings per common share—diluted:			
Income from continuing operations attributable to Pfizer Inc. common shareholders	\$ 2.87	\$ 1.86	\$ 3.52
Discontinued operations—net of tax	—	—	—
Net income attributable to Pfizer Inc. common shareholders	\$ 2.87	\$ 1.87	\$ 3.52
Weighted-average shares—basic	5,569	5,872	5,970
Weighted-average shares—diluted	5,675	5,977	6,058

<sup>(a)</sup> Exclusive of amortization of intangible assets, except as disclosed in Note 1L.

Amounts may not add due to rounding.

See Notes to Consolidated Financial Statements, which are an integral part of these statements.

# Consolidated Balance Sheets

Pfizer Inc. and Subsidiary Companies

(MILLIONS, EXCEPT PREFERRED STOCK ISSUED AND PER COMMON SHARE DATA)	As of December 31,	
	2019	2018
<b>Assets</b>		
Cash and cash equivalents	\$ 1,305	\$ 1,139
Short-term investments	8,525	17,694
Trade accounts receivable, less allowance for doubtful accounts: 2019—\$527; 2018—\$541	8,724	8,025
Inventories	8,283	7,508
Current tax assets	3,344	3,374
Other current assets	2,600	2,461
Assets held for sale	21	9,725
Total current assets	32,803	49,926
Equity-method investments	17,133	181
Long-term investments	3,014	2,586
Property, plant and equipment, less accumulated depreciation	13,967	13,385
Identifiable intangible assets, less accumulated amortization	35,370	35,211
Goodwill	58,653	53,411
Noncurrent deferred tax assets and other noncurrent tax assets	2,099	1,924
Other noncurrent assets	4,450	2,799
Total assets	\$ 167,489	\$ 159,422
<b>Liabilities and Equity</b>		
Short-term borrowings, including current portion of long-term debt: 2019—\$1,462; 2018—\$4,776	\$ 16,195	\$ 8,831
Trade accounts payable	4,220	4,674
Dividends payable	2,104	2,047
Income taxes payable	980	1,265
Accrued compensation and related items	2,720	2,397
Other current liabilities	11,083	10,753
Liabilities held for sale	—	1,890
Total current liabilities	37,304	31,858
Long-term debt	35,955	32,909
Pension benefit obligations, net	5,638	5,272
Postretirement benefit obligations, net	1,124	1,338
Noncurrent deferred tax liabilities	5,578	3,700
Other taxes payable	12,126	14,737
Other noncurrent liabilities	6,317	5,850
Total liabilities	104,042	95,664
Commitments and Contingencies		
Preferred stock, no par value, at stated value; 27 shares authorized; issued: 2019—431; 2018—478	17	19
Common stock, \$0.05 par value; 12,000 shares authorized; issued: 2019—9,369; 2018—9,332	468	467
Additional paid-in capital	87,428	86,253
Treasury stock, shares at cost: 2019—3,835; 2018—3,615	(110,801)	(101,610)
Retained earnings	97,670	89,554
Accumulated other comprehensive loss	(11,640)	(11,275)
Total Pfizer Inc. shareholders' equity	63,143	63,407
Equity attributable to noncontrolling interests	303	351
Total equity	63,447	63,758
Total liabilities and equity	\$ 167,489	\$ 159,422

Amounts may not add due to rounding.

See Notes to Consolidated Financial Statements, which are an integral part of these statements.

# Consolidated Statements of Cash Flows

Pfizer Inc. and Subsidiary Companies

(MILLIONS)	Year Ended December 31,		
	2019	2018	2017
<b>Operating Activities</b>			
Net income before allocation to noncontrolling interests	\$ 16,302	\$ 11,188	\$ 21,355
Adjustments to reconcile net income before allocation to noncontrolling interests to net cash provided by operating activities:			
Depreciation and amortization	6,010	6,384	6,269
Asset write-offs and impairments	2,953	3,398	634
TCJA impact <sup>(a)</sup>	(323)	(596)	(10,660)
Gain on completion of Consumer Healthcare JV transaction, net of cash conveyed <sup>(b)</sup>	(8,233)	—	—
Deferred taxes from continuing operations <sup>(c)</sup>	614	(2,205)	(2,410)
Share-based compensation expense	718	949	840
Benefit plan contributions in excess of expense/income	(336)	(1,095)	(961)
Other adjustments, net	(1,086)	(1,269)	399
Other changes in assets and liabilities, net of acquisitions and divestitures:			
Trade accounts receivable	(742)	(644)	259
Inventories	(1,050)	(717)	(357)
Other assets	795	(16)	7
Trade accounts payable	(564)	431	46
Other liabilities	267	98	(67)
Other tax accounts, net	(2,737)	(78)	1,446
Net cash provided by operating activities	12,588	15,827	16,802
<b>Investing Activities</b>			
Purchases of property, plant and equipment	(2,176)	(2,042)	(1,956)
Purchases of short-term investments	(6,835)	(11,677)	(14,596)
Proceeds from redemptions/sales of short-term investments	9,183	17,581	10,302
Net (purchases of)/proceeds from redemptions/sales of short-term investments with original maturities of three months or less	6,925	(3,917)	2,058
Purchases of long-term investments	(201)	(1,797)	(3,537)
Proceeds from redemptions/sales of long-term investments	232	6,244	3,579
Acquisitions of businesses, net of cash acquired	(10,861)	—	(1,000)
Acquisitions of intangible assets	(418)	(154)	(261)
Other investing activities, net <sup>(b), (d)</sup>	205	288	671
Net cash provided by/(used in) investing activities	(3,945)	4,525	(4,740)
<b>Financing Activities</b>			
Proceeds from short-term borrowings	16,455	3,711	8,464
Principal payments on short-term borrowings	(8,378)	(4,437)	(9,947)
Net (payments on)/proceeds from short-term borrowings with original maturities of three months or less	2,551	(1,617)	1,422
Proceeds from issuance of long-term debt	4,942	4,974	5,274
Principal payments on long-term debt	(6,806)	(3,566)	(6,154)
Purchases of common stock	(8,865)	(12,198)	(5,000)
Cash dividends paid	(8,043)	(7,978)	(7,659)
Proceeds from exercise of stock options	394	1,259	862
Other financing activities, net	(736)	(588)	(611)
Net cash used in financing activities	(8,485)	(20,441)	(13,350)
Effect of exchange-rate changes on cash and cash equivalents and restricted cash and cash equivalents	(32)	(116)	53
Net increase/(decrease) in cash and cash equivalents and restricted cash and cash equivalents	125	(205)	(1,235)
Cash and cash equivalents and restricted cash and cash equivalents, at beginning of period	1,225	1,431	2,666
Cash and cash equivalents and restricted cash and cash equivalents, at end of period	\$ 1,350	\$ 1,225	\$ 1,431

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