
Financial Analysis: Pfizer

— Maya Kapur, Jiayu Duan, Isabel Santana, —
Samuel Bartlett, Desiderio Perez

Introduction

- One of the world's largest pharmaceutical companies
- German-Americans, Charles Pfizer and his cousin Charles F. Erhart in Brooklyn, New York 1849
- Develops drugs and vaccines for a wide range of areas in the medical field such as immunology, oncology, cardiology, endocrinology, and neurology
- Mergers with Warner–Lambert (2000), Pharmacia (2003), Wyeth (2009), and King Pharmaceuticals (2010)
- Most recently, on December 19, 2018, Pfizer announced a joint merger of their consumer healthcare division the British company GlaxoSmithKline who will maintain a controlling share
 - If a company owns between 20% and 50% of another company, this is referred to as equity interest rather than consolidating statements
 - Balance sheet: the owner's equity is increased which in turn must increase assets due to the equation assets plus liabilities equals owner's equity
 - Income statement: the "other" income line includes any money made from a minority investment
 - Cash flow doesn't change because while the income is increased, the money is tied up in investment. Only when the company liquidates can the cash flow show an increased income.
- Pfizer has constantly released press statements on results and data from new drugs, clinical trials, approved drugs, and initiatives that will influence their income

2017 Total Revenues—\$52.5 billion

A decrease of 1% compared to 2016



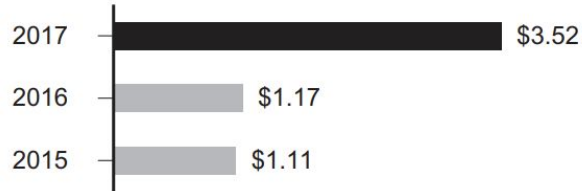
2017 Net Cash Flow from Operations—\$16.5 billion

An increase of 4% compared to 2016



2017 Reported Diluted EPS—\$3.52

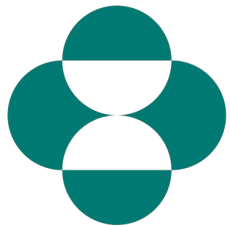
An increase of over 100% compared to 2016



2017 Adjusted Diluted EPS (Non-GAAP)—\$2.65*

An increase of 11% compared to 2016



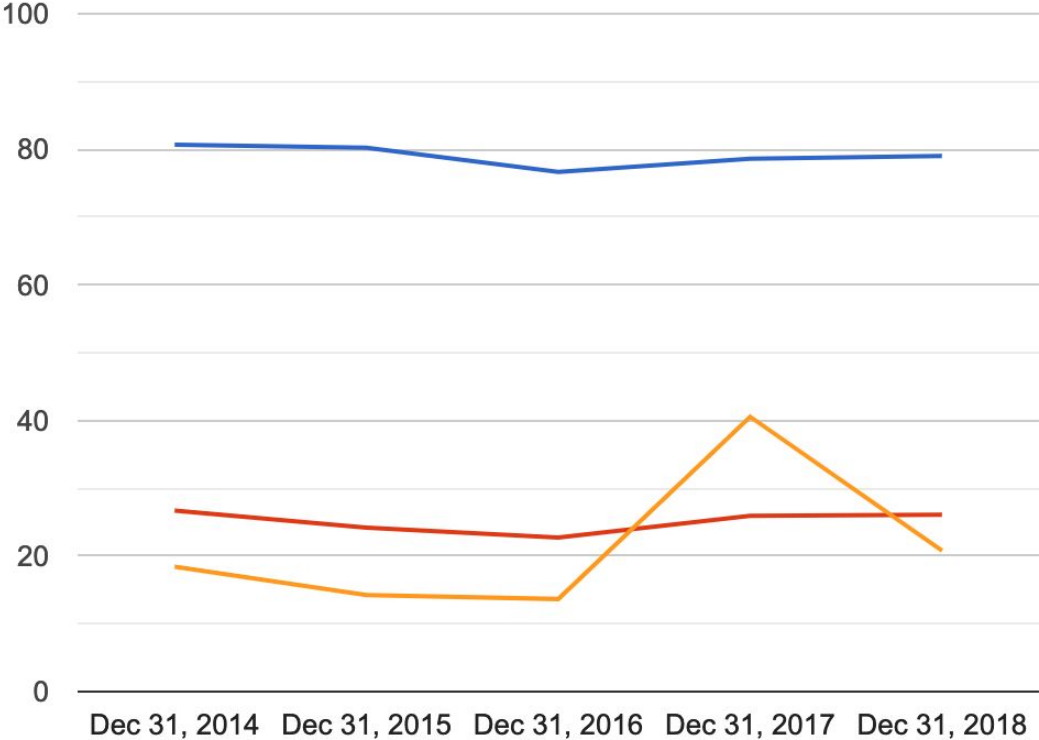


MERCK

- The main competitor
- One of the largest pharmaceuticals companies in the world today

<i>(\$ in millions)</i>	2017	2016	2015
Total Sales	\$ 40,122	\$ 39,807	\$ 39,498
Pharmaceutical	35,390	35,151	34,782
<i>Januvia/Janumet</i>	5,896	6,109	6,014
<i>Keytruda</i>	3,809	1,402	566
<i>Gardasil/Gardasil 9</i>	2,308	2,173	1,908
<i>Zetia/Vytorin</i>	2,095	3,701	3,777
<i>ProQuad/M-M-R II/Varivax</i>	1,676	1,640	1,505
<i>Zepatier</i>	1,660	555	—
<i>Isentress/Isentress HD</i>	1,204	1,387	1,511
<i>Remicade</i>	837	1,268	1,794
<i>Pneumovax 23</i>	821	641	542
<i>Simponi</i>	819	766	690
Animal Health	3,875	3,478	3,331
Other Revenues ⁽¹⁾	857	1,178	1,385

Pfizer Inc., profitability ratios, return on sales



— Net profit margin



NYSE:PFE' s Current Ratio Range Over the Past 10 Years

Min: 0.98 Max: 3.18

Current: 1.43



NYSE:PFE's Current Ratio is ranked **lower** than
82% of the **855** Companies
in the **Global** industry.

(Industry Median: 2.39 vs. NYSE:PFE: 1.43)

Pfizer Current Ratio (PFE)

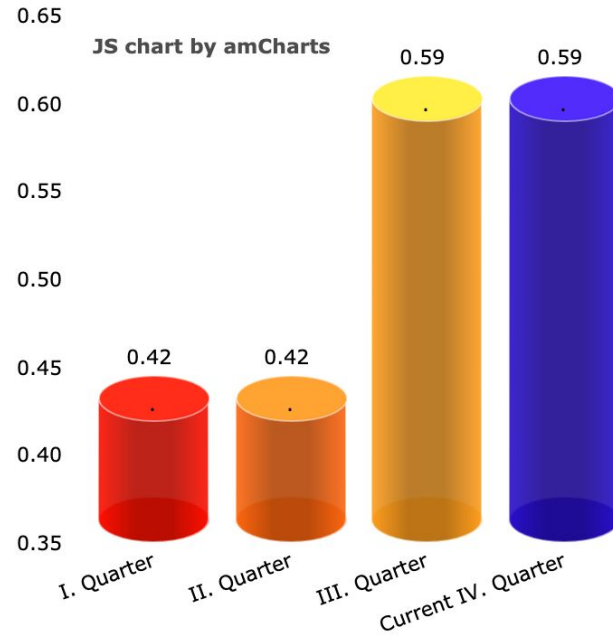
Current Ratio (A: Dec.2017) = Total Current assets

=41141

= 1.43

Quick Ratio Statistics

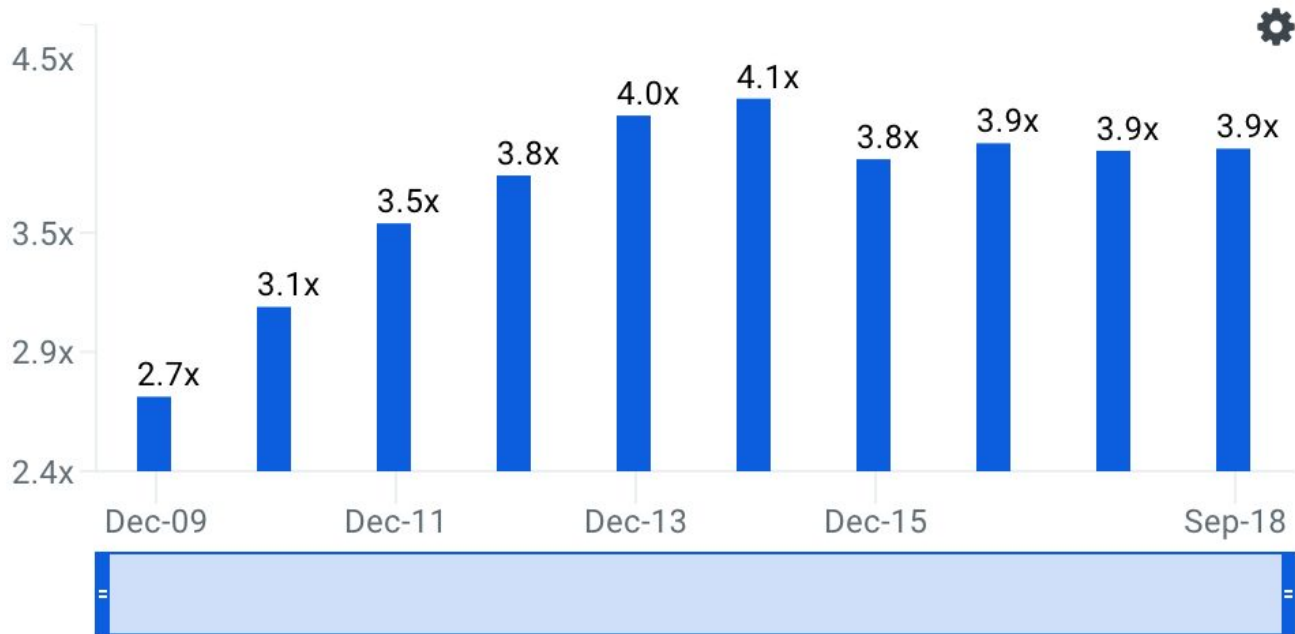
High	Average	Low
2.19	0.99	0.41
(June 30, 2009)		(Oct 02 2016)



× Fixed Asset Turnover



× PFE

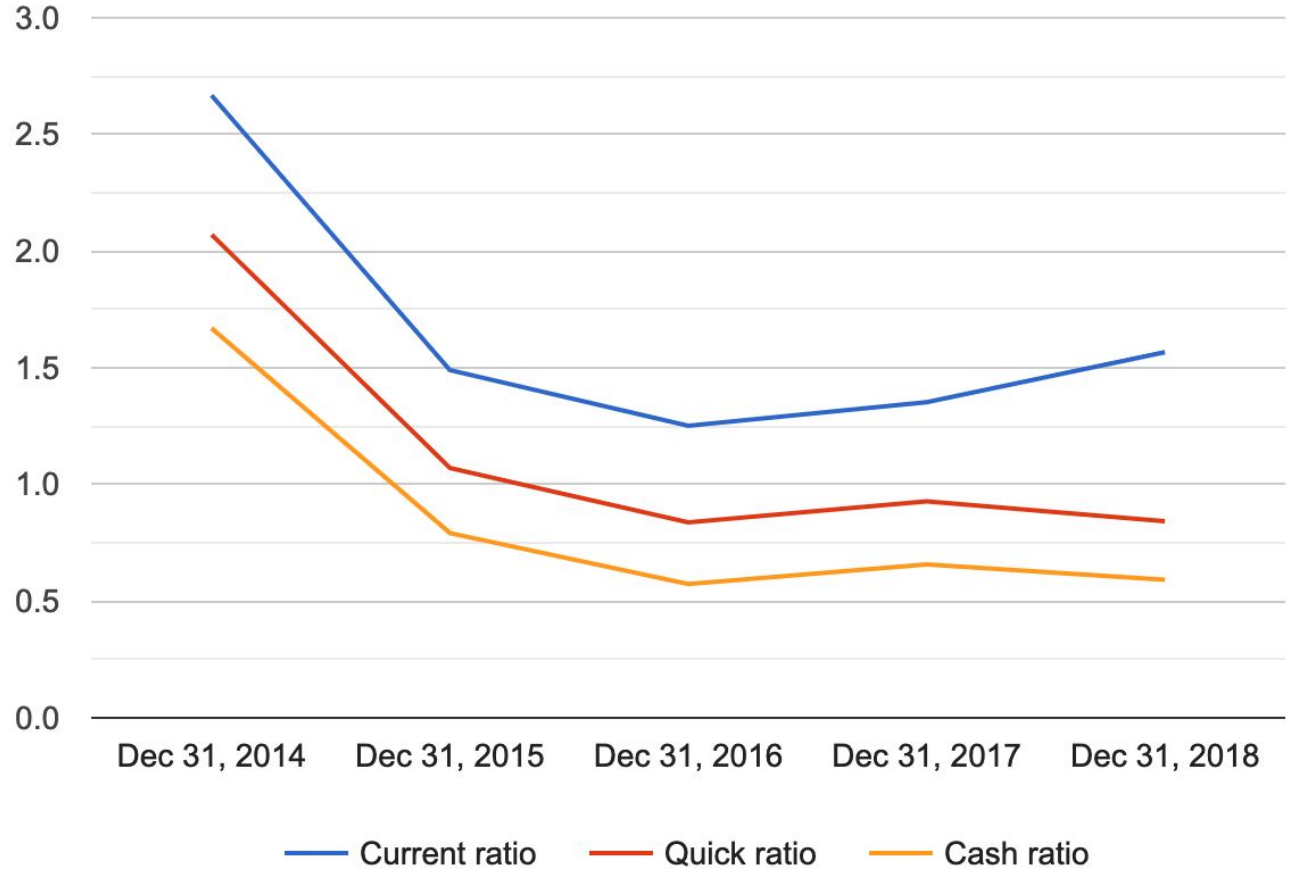


■ Pfizer - Fixed Asset Turnover

Financial Leverage

Period End	PFE
Dec-08	1.9x
Dec-09	2.4x
Dec-10	2.2x
Dec-11	2.3x
Dec-12	2.3x
Dec-13	2.2x
Dec-14	2.3x
Dec-15	2.6x
Dec-16	2.9x
Sep-17	2.8x
Dec-17	2.4x
Sep-18	2.3x

Pfizer Inc., liquidity ratios



Conclusions

- The revenues from the closing year of 2017, saw a 1% decrease. It reflects a slight net operational decrease of \$20 million and an unfavourable impact of foreign exchange of \$259 million. Compared to 2016, total revenues for 2017 were unfavourably impacted by approximately \$200 million as a result of 2017 having one less selling day in both U.S. and international markets.
- The position within the stock market hasn't fluctuated, but rather continues to remain at a steady growth having a current value of 41.3.
- Research and Development is one of the primary expenses that the company shows. Without this expense. The company's revenue would fluctuate even more.
- There are reasons to believe that 2018 could be a better year for Pfizer. They could develop new drugs and even continue to show success for already existing pharmaceuticals.

Reference

<https://investors.pfizer.com/financials/annual-reports/default.aspx>

<https://www.stock-analysis-on.net/NYSE/Company/Pfizer-Inc/Ratios/Liquidity>

<https://www.macrotrends.net/stocks/charts/PFE/pfizer/stock-price-history>

Thank You