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CORPORATE PARTICIPANTS

- **Francesca DeMartino** *Pfizer Inc - Chief Investor Relations Officer*
- **Albert Bourla** *Pfizer Inc - Chairman of the Board, Chief Executive Officer*
- **David Denton** *Pfizer Inc - Executive Vice President, Chief Financial Officer*
- **Chris Boshoff** *Pfizer Inc - Chief Scientific Officer and President, Research & Development*
- **Aamir Malik** *Pfizer Inc - Executive Vice President, Chief US Commercial Officer*
- **Andrew Baum** *Pfizer Inc - Chief Strategy and Innovation Officer, Executive Vice President*
- **Alexandre De Germay** *Pfizer Inc - Executive Vice President, Chief International Commercial Officer*

CONFERENCE CALL PARTICIPANTS

- **Operator**
- **Steve Scala** *TD Cowen - Analyst*
- **Geoff Meacham** *Citi - Analyst*
- **Chris Schott** *JPMorgan - Analyst*
- **Vamil Divan** *Guggenheim Securities LLC - Analyst*
- **Courtney Breen** *Bernstein - Analyst*
- **Evan Seigerman** *BMO Capital Markets - Analyst*
- **Kripa Devarakonda** *Truist Securities - Analyst*
- **Terence Flynn** *Morgan Stanley - Analyst*
- **Mohit Bansal** *Wells Fargo Securities, LLC - Analyst*
- **Dave Risinger** *Leerink Partners - Analyst*
- **Trung Huynh** *UBS Equities - Analyst*
- **Akash Tewari** *Jefferies - Analyst*
- **Chris Shibutani** *Goldman Sachs - Analyst*
- **Alex Hammond** *Wolfe Research - Analyst*
- **Tim Anderson** *BofA Global Research - Analyst*

PRESENTATION

Operator

Good day, everyone, and welcome to Pfizer's fourth-quarter 2024 earnings conference call. Today's call is being recorded.

At this time, I would like to turn the call over to Francesca DeMartino, Chief Investor Relations Officer and Senior Vice President. Please go ahead, ma'am.

Francesca DeMartino *Pfizer Inc - Chief Investor Relations Officer*

Good morning, and welcome to Pfizer's earnings call. I'm Francesca DeMartino, Chief Investor Relations Officer. On behalf of the Pfizer team, thank you for joining us. This call is being made available via audio webcast at pfizer.com.

Earlier this morning, we released our results for the fourth quarter and full year 2024 via a press release that is available on our website at pfizer.com.

I'm joined today by Dr. Albert Bourla, our Chairman and CEO, and Dave Denton, our CFO. Albert and Dave have some prepared remarks, and we will then open the call for questions. Members of our leadership team will be available for the Q&A session.

Before we get started, I want to remind you that we will be making forward-looking statements and discussing certain non-GAAP financial measures. I encourage you to read the disclaimers in our slide presentation, the press release we issued this morning and the disclosures in our SEC filings, which are all available on the IR website at pfizer.com.

Forward-looking statements on the call are subject to substantial risks and uncertainties, speak only as of the call's original date, and we undertake no obligation to update or revise any of the statements.

With that, I will turn the call over to Albert.

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you very much, Francesca. Good morning, everyone. Thank you for joining us today.

2024 was a strong year of execution and performance for Pfizer. We were guided by clear strategic priorities, and we met or exceeded our goals for each one, while also delivering on our financial commitments. I'm pleased with the progress we made in executing transformative changes that strengthen our company.

First, we successfully integrated the Seagen business, one of the largest investments we have made in the past decade, creating one of the best oncology companies in the industry. At the start of 2024 before, we split our commercial operations into two divisions, US and international, and appointed two senior commercial leaders to increase focus in both. Aamir Malik and Alexandre de Germay have done a tremendous job to upgrade our commercial capabilities. They consolidated our external agencies down to one powerhouse global advertising company and leverage the power of AI to transform our marketing and selling engine.

New data-driven deployment of our commercial and medical field resources, precision micro-targeting in social media and elevation of the Pfizer brand and commercial communications are some of the strategies that have significantly increased our commercial and medical effectiveness and returns on investments.

We are seeing the impact of these actions in our strong financial performance and in the recognition of our market leaders. We earned the top position in the 2024 IQVIA US Field Force Ranking report and improved our ranking to claim number one or two spot in 70% of the specialties in which we focus.

I'm also proud of our strong year of pipeline progress in 2024, including more than a dozen approvals, seven pivotal study starts and eight key Phase 3 readouts. I'm very excited with the changes in our R&D engine under its new leaders. Chris Boshoff moved fast to create four end-to-end R&D units focused on oncology, vaccines, internal medicine and inflammation and immunology. This structure fully empowers research units that can operate with a focus and agility of a biotech company while tapping into our differentiated enterprise-wide capabilities such as AI-powered drug discovery and development.

Our focus on financial discipline also has yielded good results. We ended the year with expanded margins after a series of actions to realign our cost base. And we strategically deployed capital to enhance shareholder value, investing nearly $11 billion in support of internal R&D programs, delevering by $7.8 billion and returning $9.5 billion directly to shareholders through our dividends.

Finally, we also reinforced our commitment to strong governance. Our two new Board members bring deep expertise in financial markets and shareholder value creation. All these changes have created a strong foundation and allow us to start the new year from a position of strength.

So now let me speak about our 2025 priorities. Last year, we had a significant emphasis on improving our commercial effectiveness. In 2025, the emphasis will move to improving R&D productivity, while maintaining focus on margin expansion, commercial excellence and shareholder lending capital allocation.

Let me start with R&D. Across our pipeline, we believe we have a strong year of catalysts ahead of us and expect our new R&D organization to achieve multiple key milestones, including the possibility of at least four regulatory decisions, up to nine potential Phase 3 readouts and 13 potential pivotal program starts.

For example, with atirmociclib, our next-generation highly selective CDK4 inhibitor candidate, yesterday, we dosed our first patient in a Phase 3 study in first-line metastatic breast cancer. We also anticipate starting an additional first-line study in combination with vepdegestrant, the ER degrader we are codeveloping with Arvinas. Our ADC sigvotatug vedotin continues its Phase 3 study in second-line non-small cell and cancer. And this year, we expect to start a Phase 3 study in first-line non-small cell lung cancer.

Our PDL1 ADC candidate, a potential first-in-class PD-L1 targeting vedotin ADC, is expected to begin two Phase 3 studies this year, one in first-line metastatic head and neck squamous cell carcinoma and one in second-line-plus non-small cell lung cancer where the unmet need is significant.

We have a robust clinical development program aimed at expanding Elrexfio indications in multiple myeloma, and this year, we anticipate the readout of a Phase 3 study in double class exposed relapsed refractory multiple myeloma, that, if successful and approved, will triple the addressable population versus the currently approved indication.

In vaccines, we expect to start the Phase 3 study this year for our PCV-25 candidate covering 25 serotypes. This is important foundational work that could help us bridge to and accelerate progress with our fifth generation PCV candidate covering more than 30 serotypes. This year, we also expect to start a Phase 3 study for our C. diff vaccine candy.

In internal medicines, we remain on track to provide an upgrade of our dose optimization studies of danuglipron in the first quarter of this year. For ponsegromab, we expect to start a pivotal study this year in cancer cachexia, and ibuzatrelvir, our second-generation COVID-19 oral antiviral candidate, continues its Phase 3 start.

Within I&I, we continue to progress a portfolio of medicines that include two potential first-in-class tri-specific antibodies currently in Phase 2.

Now, let's discuss our commercial strategy. 2024 was a strong year of commercial execution and we are pleased with our progress in improving performance of our newly launched products and gaining and maintaining market share for several of our core brands. I will start by highlighting the strength and impact of our oncology portfolio.

Padcev plus pembrolizumab is an important growth driver as it has already become the number one prescribed first-line treatment for locally advanced metastatic urothelial cancer in the US. We are expecting potential registrational interim data this year from ongoing pivotal studies in muscle invasive bladder cancer, which, if successful and approved, would nearly triple the total addressable patients in the US.

Braftovi/Mektovi achieved a 27% year-over-year worldwide operational growth and expanded its leadership position in multiple BRAF tumors, which are some of the hardest to treat cancer. Yesterday, we announced that BRAFTOVI in combination with cetuximab mFOLFOX6 showed statistically significant and clinically meaningful improvement in progression-free survival and overall survival in patients with metastatic colorectal cancer with BRAF V600E mutation. We are very excited with the robust improvement in PFS and OS and are looking forward to presenting this data in a scientific conference.

Lorbrena, a treatment for adults with ALK-positive metastatic non-small cell lung cancer, achieved 37% worldwide year-over-year operational growth and is emerging as a potential standard of care in the first-line setting. Following last June's unprecedented CROWN trial data showing 60% of patients were alive without disease progression after five years, Lorbrena has seen a double-digit share increase in the first line in both new patient starts and new prescribers.

Elrexfio had a strong performance in 2024 with more than $130 million in full year revenue and increasing overall share within the class of BCMA directed bispecific antibodies for patients with triple class-exposed relapse or refractory multiple myeloma in the United States.

I also want to comment about our COVID-19 portfolio. We continue to see stabilizing patterns in the disease burden with a strong correlation between the COVID-19 burden of disease and Paxlovid utilization. We see the same stabilizing patterns in US vaccination rates at relatively low levels. Our assumptions for 2025 are on par with this 2023 and 2024 patterns. And with the multiyear contracts we have secured in international markets, we are confident that our COVID-19 portfolio will continue to be a predictable and durable contributor to our business.

In another key category, our Vyndaqel family of products achieved continuing momentum with year-over-year growth in the US and 32% operational growth in international markets. We drove progress in diagnosing more patients and improving access to this treatment from -- for transthyretin amyloid cardiomyopathy.

Eliquis is a core brand for Pfizer with 10% worldwide year-over-year operational growth. It is prescribed to millions of patients and we continue to strengthen its leadership position in a growing oral anticoagulant market.

We are also pleased with the ongoing positive momentum for Nurtec with 36% worldwide year-over-year operational growth, driven by strong commercial execution. Nurtec is a leader in the oral CGRP class used for treating and preventing migraine with about 49% market share, and we see opportunities for continued growth.

Our respiratory vaccines, Abrysvo and Prevnar 20, also are key products in our commercial portfolio. We have achieved a market leadership position for the season in shipped doses for Abrysvo with an approximately 13 percentage points increase in market share, and remain confident in our ability to retain our position through strong commercial execution even as we see a decrease in the total adult RSV market volume, driven by a reduction in vaccination rates in the US for the older adult indication. We have achieved positive momentum in key regions such as Europe and Latin America and are also seeing a strong demand for our maternal indication. Abrysvo's season-to-date cumulative maternal vaccination rate nearly tripled compared to last season.

With Prevnar, we are confident that we are well positioned for strong sustained leadership with over 87% market share in the US across indications. Globally, the pediatric market accounts for approximately two-thirds of our Prevnar revenues, and we also continue to make progress for the adult indication in key international markets.

We are encouraged by opportunities to maintain our leadership in the PCV space with our next-generation PCV-25 candidate mentioned earlier. In Phase 1, we demonstrated potentially improving immunogenicity for serotype 3, one of the largest contributors of disease at approximately 20% of invasive disease in adults aged 65 and older in the United States and Europe.

Across our commercial portfolio in 2025, we are confident that we are in a strong position to build in our 2024 success and achieve commercial excellence in our key categories of oncology, cardiovascular, migraine, vaccines and I&I.

With that, I will turn it over to Dave.

David Denton *Pfizer Inc - Executive Vice President, Chief Financial Officer*

Thank you, Albert, and good morning, everyone. I'll build on Albert's comments by reinforcing that we are very pleased with the financial results for both the fourth quarter as well as the full year of 2024. These results demonstrate that our focus and execution against our strategic priorities are driving both positive patient outcomes as well as financial and operational strength.

In addition to our strong top line performance, our cost reduction programs are creating a more efficient organization, driving operating margin improvement. And as we move into 2025, these efforts will continue to lay the groundwork for potential increased capital returns and reinforce our commitment to maintaining and growing our dividend while enhancing long-term shareholder value.

With that said, let me start with our full year and fourth quarter results, then I'll touch on our capital allocation priorities. I'll finish up with a few comments on our 2025 guidance, which we are reaffirming today, and our near-term expectations that will continue to drive our growth potential in the latter half of the decade.

For the full year of 2024, we recorded revenues of $63.6 billion versus $59.6 billion last year. Importantly, our operational revenue growth when excluding contributions from our COVID products was 12%, exceeding our expectations of 9% to 11%. Full year 2024 Adjusted gross margins expanded to 74% as we continued to drive cost improvements across our manufacturing network.

On the bottom line, we reported full year 2024 diluted EPS of $1.41 versus $0.37 last year, and Adjusted diluted earnings per share of $3.11 versus $1.84 last year, significantly ahead of expectations due to our overall strong P&L performance.

Now, turning to the fourth quarter performance versus the same period last year, let me walk down the P&L. Total company revenues were $17.8 billion versus $14.6 billion in the fourth quarter of last year. Once again, our non-COVID-19 products exhibited

robust performance with revenues of $13.7 billion reflecting 11% operational year-over-year growth.

This performance continues to show that our refined commercial approach is working. We continue to focus on key products and geographies. We've refined how we allocate our commercial field resources globally. And we're further optimizing our marketing resources into key priority areas.

We saw strong contributions across our product portfolio, primarily driven by the Vyndaqel family, Padcev, Eliquis and Nurtec, partially offset by declines in Abrysvo and Xeljanz.

Adjusted gross margin in the fourth quarter was approximately 68%, primarily the result of a net unfavorable mix related to our COVID-19 products, primarily due to the Comirnaty profit split with BioNTech and applicable royalty expenses. This was partially offset by our ongoing focus on cost management across our manufacturing network, as I previously mentioned.

And as we previously communicated, long-term improvements in gross margin will remain a key focus for the company over the next few years. We expect to begin to achieve initial savings from phase one of our manufacturing optimization program in the latter part of 2025 and continue to expect approximately $1.5 billion in savings from this first phase by the end of 2027.

We continue to evaluate other strategies to improve our network structure and as well as our product portfolio. And we plan to share more information on those components of the program once it becomes available.

Total Adjusted operating expenses are essentially flat operationally at $7.3 billion in the fourth quarter of 2024. And I will note that this amount includes spending acquired via our Seagen transaction.

Looking at the components specifically, Adjusted SI&A expenses decreased 4% operationally, driven primarily by a decrease in marketing and promotional spend for various products, including both commodity Comirnaty and Paxlovid, partially offset by an increase in spending for certain oncology and recently launched and acquired products.

Adjusted R&D expenses increased 8% operationally, driven primarily by net increase in spending, mainly to develop certain product candidates acquired from Seagen, partially offset by lower spending on certain ongoing vaccine programs and certainly as a result of our cost realignment program. We continue to be disciplined with our operational expense management and delivered on our goal of at least $4 billion in net cost savings from our cost realignment program.

Q4 reported diluted earnings per share was $0.07, and our Adjusted diluted earnings per share was $0.63, benefiting from our top line performance as well as our efficient operating structure, partially offset by a higher effective tax rate driven primarily by jurisdictional mix.

In support of our goal to enhance R&D productivity and to focus on high-impact medicines, our fourth quarter GAAP results reflect strategic decisions in our development plans and updated long-range revenue forecasts for several medicines. And as a result, we recorded approximately $2.9 billion in noncash intangible asset impairments related to several medicines in development as well as several in-line products. These decisions reinforce our focus on future growth as well as innovation.

Now, let me quickly touch upon our capital allocation strategy, which is designed to enhance long-term shareholder value. Our strategy consists of maintaining and growing our dividend over time, reinvesting in our business at an appropriate level of financial return, and finally, making value-enhancing share repurchases after delevering our balance sheet.

In 2024, we returned $9.5 billion to shareholders via our quarterly dividend, invested $10.8 billion in internal R&D, and as expected, completed business development activity was minimal.

Our commitment to delevering our capital structure to a gross leverage target of 3.25 times by the end of 2025 remains a key priority. In support of that goal, in 2024, we delevered by approximately $7.8 billion, paying down approximately $2.3 billion in maturing debt and approximately $5.5 billion in commercial paper.

And in January 2025, we monetized another tranche of our Haleon shares, which for reporting purposes is a Q1 '25 event. We received approximately $3 billion in net cash proceeds, and now our ownership in Haleon was reduced from approximately 15% to approximately 7%. We intend to monetize our remaining Haleon investment in a prudent fashion during 2025.

Overall, in Q4, we generated robust operating cash flows which, combined with the most recent Haleon net sales proceeds of approximately $3 billion, resulted in significant free cash flow generation as we enter 2025. Our objective remains to delever and return to a more balanced allocation of capital between reinvestments and direct return to shareholders over time.

Given we issued our full year 2025 financial guidance on December 17, let me just hit a few highlights. We expect total company full year '25 revenues to be in the range of $61 billion to $64 billion and full year '25 Adjusted diluted earnings per share to be in the

range of $2.80 to $3 a share, which reflects our expectation of strong contributions across our product portfolio as well as our focus on disciplined cost management.

Importantly, we believe the steps taken to right size our cost base will put us on a strong footing towards increased operational efficiency and support our goal to return to pre-pandemic operating margins. In further support of this initiative, we now expect to deliver overall net savings of $4.5 billion from our ongoing cost realignment programs by the end of 2025, while continuing to advance programs that will improve cost of goods sold in the years to come.

As a reminder, the impact of the IRA Medicare Part D redesign is expected to be a net headwind to the company's revenue of approximately $1 billion across our product portfolio, dampening growth by approximately 1.6% versus 2024. The impact of catastrophic coverage is expected to exceed the potential volume benefit from the reduction of the patient out-of-pocket cap, leading to a negative impact beginning in early in the year, while the positive impact of lower patient out-of-pocket costs is expected to build throughout this year. As the IRA is felt more acutely in higher-priced medicines, we expect Vyndaqel, Ibrance, Xtandi and Xeljanz to reach catastrophic coverage much earlier in the year.

And due to these changes, we expect a higher gross to net impact on our revenues for all drugs in the beginning of 2025 that is expected to moderate throughout the remainder of the year when compared to 2024. And lastly, I will mention that we continue to monitor currency fluctuation as the year progresses.

So in closing, let me just emphasize several key aspects of our business. We believe our financial targets for 2025 are both reasonable and achievable, reinforcing our commitment to operational excellence. We also believe our revenue volatility is largely in the past as COVID-related uncertainties have diminished. Additionally, our cost improvement programs have set the stage for ongoing margin expansion. We will continue our focus and execution to maximize the commercial value of our product portfolio. And our new R&D leadership is committed to driving value-creating innovation and strengthening our pipeline.

And lastly, we have a clear path to reloading our balance sheet, enabling enhanced capital deployment in pursuit of additional opportunities to strengthen our business and create value for our shareholders. We are dedicated to maintaining and growing our dividend and meeting our delevering targets by the end of 2025, providing for a more balanced capital allocation.

And with that, I'll turn it back to Albert to start the Q&A session.

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Yes. Thank you, David. But before we turn to the questions, I would like to close the year with one comment.

Pfizer knows how to execute well when we set our focus on something. We saw what we could do in 2020 when we rapidly developed and prepared to manufacture billions of doses of the COVID-19 vaccine, in '21 when we repeated the same with Paxlovid, and in 2022 when, with successful commercialization, we exceeded $100 billion in full year revenue.

In 2023, despite the difficulties with the rebased COVID-19 expectations, we invested in our future with a big bet in oncology with the acquisition of Seagen. And last year, we exceeded expectations repeatedly with four consecutive quarters of strong financial performance from our disciplined commercial execution.

Now, as we are directing similar focus and our proven ability to execute on our R&D pipeline, we are confident that we are well positioned to drive meaningfully improved productivity.

And with that, operator, please assemble the queue.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Steve Scala, TD Cowen.

Steve Scala *TD Cowen - Analyst*

I have two questions. First, on the danuglipron dose optimization data, it's apparently still on track for the first quarter of this year. What is the range of possible outcomes? And is dropping this version of the compound a possibility? And what would be the next step?

Second question is, Chris Boshoff, I assume he's on the line. Under the heading of nothing is perfect, can you share with us two or three things in the Pfizer R&D portfolio or system that you think need to be fixed? New leaders usually say they want to move quicker, but sometimes they also thoroughly go through the portfolio and shed many projects. Is that also a possibility?

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Chris?

Chris Boshoff *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

So we start with danu. So for danu, just to be clear, we, as we stated previously, we're now targeting first quarter to have data from the ongoing dose optimization and formulation study, the PK study, and we're on track to deliver that in Q1. And we haven't seen the data yet, but obviously, that data will then determine decisions for the future of danuglipron.

On your second question, as we've recently announced, we already focused our portfolio further. We've now established four end-to-end therapeutic areas: oncology, vaccines, internal medicine and I&I. And part of that will be to focus on those opportunities that could provide the biggest value both for patients but also for Pfizer. So you will see during the coming months how we further focus and execute and accelerate those medicines, we believe, could be potential future blockbusters.

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you, Chris. And Steve, you're right, usually new leaders are taking their time to assess. But the good news with Chris is that he knew really the Pfizer organization. And I'm very impressed with the speed and thoughtfulness that he's deploying his changes. Already he announced the new organizations that selected a lot of leaders, and refocused our pipeline in collaboration with Andrew Baum.

Operator

Geoff Meacham, Citibank.

Geoff Meacham *Citi - Analyst*

Just had a couple of quick ones. So for the COVID franchise, you guys talked about stabilizing revenue for this year. Maybe just give us some level of conviction and your level of investments in this business kind of going forward. I think most investors kind of would like for it to kind of be viewed as just maybe upside to the story.

And then from a capital allocation perspective, when you guys think about the appetite for potential BD, as you reprioritize or look at the pipeline and evaluate a lot of the assets in, say, early to mid-development, just want to get a sense from you guys for the appetite for growing out the number of TAs, if you had more optimization to do that can be achieved through BD.

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Aamir?

Aamir Malik *Pfizer Inc - Executive Vice President, Chief US Commercial Officer*

So Geoff, on COVID, maybe I'll start with Paxlovid. You saw Albert describe, we have multiple years now of reference where Paxlovid utilization tracks directly to the level of disease outbreak. And the year 2024 was no different. So we know that to be the case. And we've also put in place a very effective commercial model in Paxlovid that allows us to deliver on that and continue to improve. In fact, if you look at 2024, we had higher physician treatment rates than 23% and we also had gains in market share versus 23%.

So we know we have a model that works. And with regards to resource allocation, we have targeted our resource modeling for Paxlovid so that we are investing the places where it's relevant when it's relevant. So we have a very, very tailored model.

And I think you see that in the results. We had a very big summer and early fall wave of COVID in '24. And then we had a milder and shorter winter wave. And you see that reflected in Paxlovid utilization. And we've also ensured that we have the right pricing model in place and put in place a new agreement with the US government on our Paxlovid contract that defines the eligibility for the USG pack going forward. So there is clarity on that for January, February and going into March.

And with regards to vaccinations on Comirnaty, again, we saw a pattern in '24 that very closely mirrored '23. So vaccination rates were quite stable. Again, here, we also saw an improvement in our market share position for Comirnaty, and we are confident that our commercial execution both with regards to the retail setting and the nonretail setting will continue to put us in good stead as we move forward.

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you. And of course, in international, the same time here, we have contracts with our multiyear contracts that they are covering not only this year but the year after. So all of that makes us feel that this is a very stable and predictable revenue stream. Why don't we go to capital allocation and then, Dave, maybe also, Andrew, you can comment on the BD.

David Denton *Pfizer Inc - Executive Vice President, Chief Financial Officer*

So just, Albert, I'll be real quick. From a capital allocation perspective, I'm very pleased with the company's cash flow generation throughout 2024 as we've continued to enhance our cash flow yield, number one; number two, continue to aggressively delever. And now as we enter 2025, we'll be in a position from a cash and a delevering perspective to have a more balanced capital allocation strategy, allowing us to do a slightly bigger business development programs if so desired in 2025.

And with that, maybe I'll pass it over to Andrew to give some context around how we're thinking about that.

Andrew Baum *Pfizer Inc - Chief Strategy and Innovation Officer, Executive Vice President*

Yes. So to recap what Chris says, we have narrowed our current therapeutic areas to four, so oncology, vaccines, I&I, and internal medicine. Now, it's fair to say that those are fairly broad areas, they are big buckets that you can put lots of therapeutic indications in. If we were to explore adjacencies or, indeed, therapeutic areas where historically Pfizer hasn't been active, I think, firstly, we'll be looking for truly breakthrough science that's tractable with a drug.

Second, an unmet medical need that we feel that can be monetized. And thirdly and most importantly, we have to have the talent with it in order to develop those assets if we go into a therapeutic area that is one that is unfamiliar to us, or we don't have historically that [backbone of talent].

Operator

Chris Schott, JPMorgan.

Chris Schott *JPMorgan - Analyst*

Just two questions for me. Just coming back to capital deployment. Dave, just to build on those comments, you talked about slightly larger BD transactions. Can you just help size the range of what Pfizer is able to look at from here and how you think about

balancing business development versus share repo, which I think you talked about as you started to delever would be part of the story?

The second is on the RSV market. Can you talk a little bit about the thinking on the size of the opportunity from here and the potential for growth, given some of the 2024 results, both the US as well as globally?

David Denton *Pfizer Inc - Executive Vice President, Chief Financial Officer*

Yes. So as far as capital deployment goes, Chris, I think the good news is the company has a very robust cash flow generation capabilities. And over time, we'll be able to do both dividends as well as BD as well as value-enhancing share repurchases. Specifically, as we come into 2025, given the strength of the company from a cash flow perspective, we have the capacity in the $10 billion to $15 billion ZIP code from a business development perspective within 2025 if we chose to focus in that area.

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you. Aamir and Alexandre, the RSV?

Aamir Malik *Pfizer Inc - Executive Vice President, Chief US Commercial Officer*

Very quickly, in the US, firstly, the market did decrease in 2024, and that's something that we have been signaling for quite some time. This was because of ships in ACIP as well as the early adopters of the vaccine in 2023.

The important thing for us, the things that we can control, the strength of our commercial execution led us to the leading market share of doses shipped to end-customers at 50% for 2024, and an improvement in the shots in arms market share by 18 percentage points versus last year. And our maternal indication also performed very well, tripling the uptake from last season.

Now, as we look forward, in the absence of any major policy or ACIP change in '25, the RSV market without that is likely not to grow, but there are a lot of catalysts for midterm growth. One is any policy updates to year-round vaccination. Second, age expansion for 18 to 59 year-olds that are at risk, where we have great data, as well as potential revaccination recommendations as data becomes more available. So those are midterm growth catalysts. And in the meantime, we remain confident in our ability to execute as that evolves.

Alexandre De Germay *Pfizer Inc - Executive Vice President, Chief International Commercial Officer*

So on the international front, Chris, what we see in this quarter is the beginning of the financial impact of the work we've done in approving and getting through the BTC and the payers for Abrysvo. And in the countries where we received positive [ETC] and got reimbursement, we start to see great execution working hand-in-hand with the authority in [SGP]. Let me give you two examples in marginal immunization.

So in the UK after winning the exclusive tender, healthcare professionals vaccinated with Abrysvo over 60% of the eligible pregnant women in just one quarter in Q4. In France, in competitive setting, Abrysvo was administered to over 40% of the eligible pregnant women in the Q4 alone. So clearly, we see a potential as we move into 2025 in the MI, great opportunity to expand usage and to expand the vaccination.

And of course, that is not just in the developed market but also in emerging markets. And for instance, as you know, Abrysvo was listed at the Pan-America Health Organization. And so starting this year, we can have Latin American country to start contracting Abrysvo.

Now, in the OA, we start also to see some traction and the vaccination campaign in the UK already reached 44% of the eligible population and regional vaccination was granted late 2024 in about half of the German population and we're expecting to get a full German population access in Q1 2025. So again, on both maternal immunization and order adults, plenty of opportunity to grow.

Operator

Vamil Divan, Guggenheim Securities.

Vamil Divan *Guggenheim Securities LLC - Analyst*

Maybe a couple if I could on the pipeline. So Prevnar Valent 25 you mentioned starting Phase 3 in adults this year. Just curious if you can comment on what you've seen so far gives you comfort in moving up for when we might see the data publicly. And also any updates on the pediatric population and when you -- where things stand there.

And then the second one is on ponsegromab. And just you have the, obviously, cancer cachexia, which you're starting Phase 3, we also noticed in the Phase 2 heart failure program, you increased the patient enrollment significantly there. Just curious if you can provide any perspective on what drove that change and just maybe your broader views on the heart failure rate opportunity for that product?

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Chris?

Chris Boshoff *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

So first all, PCV-25, as Albert mentioned, this is an ongoing Phase 2 study with a potential best-in-class vaccine. The Phase 2 study is ongoing in both adults and in pediatrics.

As we've mentioned earlier, Serotype 3 is very important and is emerging as a very important serotype with up to 20% to 30% of the population actually developed serotype 3. So we're very pleased that we're now seeing what looks like best-in-class immunogenicity against serotype 3.

On the pediatric front, as you mentioned, the study is ongoing. So we hope to provide additional data later this year. But everything we've seen so far suggests to us that we've got improved immunogenicity of PCV-25 versus our current vaccine. Just a reminder as well, we do have a fifth generation vaccine 30-plus, that's also now in preclinical development that we hope to launch in Phase 1 later this year.

On ponsegromab, very quickly, we're excited about the data for cancer cachexia. And the cancer cachexia study should start later this year in a Phase 3 experience. And we stopped the development of the cardiovascular study.

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you. And I want to also emphasize that the development strategy on PCV-30-plus involves the development of PCV-25, so refined strategy, which is development and regulatory, that will allow us to accelerate 30-plus by investing now in 25, which will come earlier, of course, to the market.

And I think there was a question also on the penetration of PCV. But right now, both pediatric and adult, we have very, very high market share. We reported actually 87% market share.

Operator

Courtney Breen, Bernstein.

Courtney Breen *Bernstein - Analyst*

And thanks for the details on kind of how you're thinking about the R&D organization. Just a clarifier, and perhaps you can help us understand the strategy a little bit more here. It sounds like you're shifting into four R&D organizations. I also heard reference though to end-to-end area. So can you talk about whether these are similar or different to how oncology was set up earlier this year -- earlier

last year?

And then additionally, can you talk a little bit about how you're allocating investment across R&D across those four separate engines? How are you making sure that the bar is high in all of those different therapeutic areas and ensuring you've got the right prioritization given the independence of these units?

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you. That's a great question. So Chris, start, and then Andrew can chime in. .

Chris Boshoff *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Yes. So thank you very much for the question. So for oncology, as you stated, since the beginning of 2023, we had an end-to-end organization covering discovery, early-stage development, late-stage development as well as medical. And we already had that in vaccine since 2009. And now we build the same structure for I&I and internal medicine.

So essentially, all four of those will be end-to-end organizations, for quicker decision-making and quicker handover between discovery, Phase 1, and then from early development into late-phase development.

Andrew, regarding the --

Andrew Baum *Pfizer Inc - Chief Strategy and Innovation Officer, Executive Vice President*

Yes, Courtney, you hit up on a critical question. So historically, when you look back, there's no shortage of first-in-class breakthrough molecules that we've successfully shepherded through development. However, some of those really have not delivered in terms of financial revenues, and therefore, to shareholders.

And the key issue is really ensuring that we have successful portfolio prioritization, bringing that commercial lens to much earlier during the process and having estimates that are derived in an unbiased way and a dynamic and subject to continued revision.

So in my role as chair with the PMT since I joined Pfizer partnering with Chris, we have been working through that pipeline, starting with the late-stage assets, but then moving earlier, to make sure the decisions we make drug by drug, indication by indication are ones that are going to deliver value for shareholders as well as the patients.

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you for the question, Courtney. And I want also to chime in and say that in the R&D organization that we have right now, I think it's very, very, very strong capabilities. And it's proven with the number of approvals. We have 13, right, last year and even same number in '23. No one even had even close to these numbers. If you see our success rate at 17% compared to 10%, 11% of the industry. Very few that have these success rates.

And in time to the market, we are having approximately 5.6 years when most of the industry is in seven, eight years after improvements. However, looking back, I don't think that we necessarily -- we could have done way better in choosing the right products to focus our R&D capabilities, which is, I think, what now, Chris and Andrew, with the commercial assessments, will try to do.

The good news is that if it was a question of capabilities to improve R&D productivity, that would be a multiyear undertake. When it is a question of refocusing your investments, that's way more quick. And I'm very optimistic that the results will come out very, very quickly. With that, let's go to the next question.

Operator

Evan Seigerman, BMO Capital Markets.

Evan Seigerman *BMO Capital Markets - Analyst*

Congrats on all the progress. So given RFK Jr.'s approval by the Senate Finance Committee this morning, can you walk me through how you plan on working with him as a likely head of HHS, especially with his views on vaccines and general skepticism of the pharma industry?

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Yes. I was also informed that the Senate committee voted in favor of him. So I think his confirmation is pretty much secure right now. Of course, we will see what the full Senate will do.

Look, I mean, we have with the Trump administration, as the pharma industry, in particular, what's big as Pfizer, have very good relations. Personally, myself, I have a very long-lasting relationship with the President, but was cemented during the Operation Warp Speed when we developed the vaccine for COVID, and I know that the President is very proud of what was able to accomplish, and he has made public statements on that.

We met with Mr. Kennedy -- actually, the President introduced me to him and we had dinner offered together, and we tried to understand his view. I focus more not on the things that we clearly disagree, like the vaccines, but on the things that we can agree and we can do things together. And those are things in chronic diseases, in cardiovascular diseases, and more importantly, in cancer, which is something that is very, very high in the mind of the President. And it is also very in the mind of Mr. Kennedy.

I met him a few times also after that, and we expect that we will have a collaboration. It's not my -- do I expect that we will agree on everything on vaccines? I don't know. But I think probably, as I hear all the statements that have been done by him and by the administration, he will have a way more tempered view on how to interact with the vaccines.

But I don't want to speak about him further. I think there are a lot of opportunities that probably outweigh the risks that we have with the radical change that we will see from the Trump administration, actually, that we are seeing now with the Trump administration. So I'm cautiously optimistic.

Now, let's move to the next question.

Operator

Kripa Devarakonda, Truist Securities.

Kripa Devarakonda *Truist Securities - Analyst*

Congratulations on the progress. I have a question on your breast cancer franchise. You recently announced a strategy for developing your CDK4 in frontline -- first-line breast cancer as a monotherapy and also in combination with vepdeg, the ER PROTAC.

As the landscape evolves with other CDK4/6 inhibitors, different combinations, how do you see Pfizer's portfolio in breast cancer evolve over the next few years? Do you see this as the strategy is getting a piece of the broader pie? Or are there areas with your CDK4 and your -- with vepdeg where you think you could establish a niche? And also with the Phase 3 data from vepdeg expected any time in first quarter, what needs to happen with these data for it to be considered competitors?

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Chris?

Chris Boshoff *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Thank you very much. Thank you for the question. We are very fortunate because we've got a lot of optionality now in breast cancer. I'll start with CDK4. We believe this is a best-in-class CDK inhibitor. And what we've seen for compliance and the rate of specifically

treatment-related AEs as well as discontinuations, we are very optimistic that CDK4 could not only replace [I] brands, but all CDK4/6 inhibitors early-line breast cancer, including first line as well as potentially in the future also in the adjuvant setting.

As Albert has mentioned, we are pleased that the first line study is now ongoing, that CDK4, atirmociclib in combination with letrozole. To your point, we also expect the readout for vepdeg in the second-line setting with a derisk study that includes ESR1 population as well as all-comer population. And that medicine potentially could become a replacement for backbone [endocrine] treatment.

We are planning a study in the first-line setting combining vepdeg plus CDK4 in first-line ER-positive breast cancer. I also just quickly want to mention CDK -- [CAT 6] because CAT 6 is a differentiated epigenetic molecule. This is a first-in-category medicine. You've seen the data, very exciting, very encouraging data in later-line disease. And we're accelerating that also into a registration study with an ongoing Phase 3 trial in second-line-plus ER-positive breast cancer.

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Was there a question also for danu? No, it was not. Okay, good.

Operator

Terence Flynn, Morgan Stanley.

Terence Flynn *Morgan Stanley - Analyst*

Great. Maybe two for me on the pipeline. On Elrexfio first, just on the commercial side, can you talk about what you're seeing in terms of uptake at the academic versus community centers? Are you seeing any broadening out into the community setting? Or is that really going to be contingent on getting some of the earlier line data that you're expecting later this year from the Phase 3 trial?

And then on danuglipron, on the dose optimization study, can you just kind of clarify how much data you're going to share later this quarter? Will we get weight loss data? Will we get tolerability data? How much data will be in the initial press release?

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you. Aamir?

Aamir Malik *Pfizer Inc - Executive Vice President, Chief US Commercial Officer*

Yes. We're very excited about the momentum on Elrexfio. We continue to see increase in share in new patient starts quarter-over-quarter, in the class. And the uptick also does include community receptivity and awareness and new account adoptions. And obviously, with the whole slew of trials, assuming they're successful to follow, I think there's a lot of momentum behind Elrexfio. And over the course of this year, we expect it to grow rapidly, driven primarily by increased demand in our top 100 accounts as well as increased adoption in the community setting, which I think positions Elrexfio very, very well for the future as we expand indications into earlier lines of therapy in '26 and beyond.

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you. And myself, I was quite impressed with community oncologist uptake of this product as quickly as it happened in the US. But also, we have very good news for Elrexfio in international market. Alexandre?

Alexandre De Germay *Pfizer Inc - Executive Vice President, Chief International Commercial Officer*

Yes, indeed Elrexfio was commercially launched in already six markets in 2024, out of our top 15 markets, quite fast penetration. And of course, in 2025, we are expecting to get an additional 18 markets and four additional of our top 15 markets will launch this year.

But the combination of the expanded access plus the performance of the brands where we already have introduced the product gives us great confidence for accelerated growth. And to give you a sense, Japan is the second largest market outside of the US, and we had a significant and very rapid demand in Japan where Elrexfio was introduced first to market, BCMA bispecific. And that's -- we've seen an immediate acceleration of utilization actually deep into the community in Japan.

And where we've launched with other products, BCMA bispecific, like in the UK, in Spain, in Italy, or markets where we have demonstrated Elrexfio leadership, and we expect to continue this leadership position in 2025. So the combination of increased access and where we already introduced the growth expansions, there are two reasons why we believe the product has great potential.

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

In general, Elrexfio because we do think that it is a mega blockbuster, but will become. You need to understand that already in the first year, we had more than $130 million of sales. And this is in a very niche indication. This is triple refractory, which means patients that they have short duration of treatment and they are really failed after everything else that was tried.

As we move to -- we have four Phase 3 studies, right? One could read this year. And that not only triples the population, so we go to bigger population, but also expands significant duration of treatment. And the fact it is true as we go to the next line and to the first line. So we think that in the US and international, this product will become a very big oncology product for Pfizer. And with that, let's -- danu, Chris.

Chris Boshoff *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Yes. Just what we said it earlier, so in Q1, we expect the PK data, we're on target for that. Remember, this is looking at different formulations and will determine the dose selection for once-a-day tablet, for once a day approach for a potential taking forward into a registration strategy. Although you mentioned weight loss, weight loss is a secondary endpoint on the study. This is a smaller study. It's an in-unit study. So it may not be that reliable for weight loss from a small number of patients.

Operator

Mohit Bansal, Wells Fargo.

Mohit Bansal *Wells Fargo Securities, LLC - Analyst*

Maybe if you can talk a little bit about Prevnar. How are you seeing Prevnar share? You did talk about the market share here, but in terms of peds versus adults, how are you seeing the market share evolving, now that also Capvaxive has an expansion in the next few years. There is also a lower added eligibility in terms of age. So can you talk a little bit about these dynamics? And how do you see market evolving here?

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

All right. Let's start with international and then we go to the US for a change.

Alexandre De Germay *Pfizer Inc - Executive Vice President, Chief International Commercial Officer*

Okay. All right. So on Prevnar, as you know, in international, two-thirds of the business comes from the pediatric indication. And this kind of macro view with our Prevnar pneumococcal vaccine, we have maintained exclusivity and IP in about 140 markets around the

world. So that gives you the sense of the breadth of our pneumococcal vaccine. And as we move over the time, our intention is, of course, to replace our Prevnar 13 to Prevnar 20.

So now of course, they are -- now if we go into the details, in emerging markets, we have a very large part of babies every year, so around 76 million new babies. And of course, alongside our great collaboration with the GAVI organization, we have a commercial organizations where we have demonstrated this year a double-digit growth of our Prevnar franchise. So a great execution in emerging markets.

Now, in the developed markets, following the EMA and the Japan approval, remember in March only of 2024, we've started to gain BTC approval and funding. And where we start to see that, we see that we are recapturing very quickly some of the business that went to competition.

So give you an example, in Japan. Prevnar 20, as I said, was approved in March. We got the BTC recommendation in October, and our market share in first dose went from 3% in September to 86% in December. So we see that Prevnar 20 gets approved, we really have an opportunity to regain that business.

And on the other side, here, again, we've seen a very strong growth in 2024 that we continue to expect significant growth just because we are expanding access in more mature markets with our Prevnar 20 adults.

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Aamir, in the US?

Aamir Malik *Pfizer Inc - Executive Vice President, Chief US Commercial Officer*

In the US, let me start with the adult market. We have, right now, a very strong position in the adult market. Now, we are going to face competitive pressure over the course of 2025 from [capacity]. But we are confident that we will continue to maintain meaningful market share. A lot of that has to do with our commercial execution, as well as the fact that many accounts, particularly nonretail accounts, prefer to stock a single vaccine. So we'll see that evolve over the course of the year.

And while we don't think that there's much catch-up opportunity in the 65-plus, we also think there is growth opportunity in the 50 to 64 age group that brings about 30 million adults into the eligible population. So those will be the dynamics in adult.

Now, in peds, there, again, we have very significant market share. And on the theme of improved market share across all of our vaccines, we saw a 12 percentage point improvement from August to August '23 to December '24 in our pediatric market share. And here, we expect this to be a much more stable market. We plan to retain that kind of leadership share, and we expect volumes to be more stable here.

Operator

Dave Risinger, Leerink Partners.

Dave Risinger *Leerink Partners - Analyst*

Yes. So my question is just going back to RFK Jr. So assuming he is confirmed as HHS Secretary, and given his history of suing manufacturers and his commentary on lawsuits in the hearings last week, could you just help us understand his ability as HHS Secretary to remove US vaccine liability protections that manufacturers currently benefit from and allow manufacturers the freedom to develop and sell vaccines that save lives?

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Yes. Look, I don't want to comment because these are legal issues, but I believe that the liability is through Senate -- through Congress approval. So I don't think anyone can change that without, let's say, Senate approval.

I know that that creates a turbulence into the market today and with RFK, it was almost certain that he will get confirmed. And we have engaged with him early enough so that we can mitigate all the issues. If he does the things that he has said in the past, because during the hearings, yes, of course, clearly, he tempered his statements on vaccines. But if he tries to do some of the things that he said in the past, I think that he won't it from the industry, he will find it from the industry, he will find it from the total medical community and the total scientific community and payers, that they don't want to see a reduction in vaccination because that's a very cost-effective way of controlling health care costs.

And more than important, this is not what the Trump administration would like to see, another health crisis. So I would say that I feel cautiously optimistic that they will be very, very prudent with everything they try to do. Let's go to the next question.

Operator

Trung Huynh, UBS.

Trung Huynh *UBS Equities - Analyst*

Just two from me. So firstly, going back to Abrysvo, I think Aamir noted potential policy changes in RSV. So do you have any insight if there's going to be a discussion from ACIP on revaccination or cohort expansion this year? I guess that could be a positive for your guide.

And then two, on Padcev's potential registrational muscle invasive bladder cancer trial, in general, I think cystectomy is used to cure patients in this setting. So just wondering how you're going to position this, and how quick could you penetrate this population if approved?

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you. Very quickly, Aamir, on Abrysvo, and then we go (multiple speakers) --

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Aamir Malik *Pfizer Inc - Executive Vice President, Chief US Commercial Officer*

Yes. What I described, Trung, were the catalysts that could result in market expansion for Abrysvo. Obviously, it's too early and not our place to comment on what exactly ACIP is going to take on it, when.

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

And Chris, on Padcev.

Chris Boshoff *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

So thank you for the question. Reminder that this is an event-driven study. So we hope by the end of this year, but if event doesn't happen, we'll move a little bit on.

Muscle invasive, about 28,000 population in the US alone, so it could more than double, as we mentioned, triple the population currently eligible. Currently, there's no standard of care treatment other than surgery, cystectomy, for patients considered cisplatin ineligible. So there's two studies, one for cisplatin-eligible and one for cisplatin-ineligible. For the cisplatin-eligible, currently is dominated by new adjuvant chemotherapy. So there's a real need for both adjuvant and new adjuvant treatment and replace chemotherapy in the setting of cisplatin-eligible disease.

And of course, for cisplatin-ineligible disease, it will completely change the future treatment paradigm. So we're very excited if these studies are positive and what we've seen. We've got confidence in these data from earlier studies. So yes.

Operator

Akash Tewari, Jefferies.

Akash Tewari *Jefferies - Analyst*

Just on QD danuglipron, it looks like you're using a bi-layer immediate release and matrix technology here. But you don't actually test your bilayer formulation until the second half of your weight loss trial. Is that what your team is waiting on before you make a formal update? Or is it perhaps the Lilly orforglipron data that's also going to factor into this decision?

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

I don't think we can disclose the technology. I know that there were speculations into the marketplace, but we haven't disclosed the technology. So I'm not sure we can say much. But Chris, do you want to add anything?

Chris Boshoff *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

No, I don't think we need to add right now.

Operator

Chris Shibutani, Goldman Sachs.

Chris Shibutani *Goldman Sachs - Analyst*

A quick one on the pipeline and another on business development strategy. On the pipeline, I noticed in Phase 2, you've advanced the GIP antagonist. Is that something that you'll be continuing to share data on, particularly as a monotherapy? And do you have any efforts on going to do a combination?

In terms of business development strategy, I think the vocabulary you used included a capacity of perhaps in the $10 billion to $15 billion ZIP code. And I'm curious to know what you're solving for. And I asked this in part because, historically, there had been a view of using cash to acquire $25 billion in revenue by the end of the decade. But now when we think about where we are in this decade, and we think could be solving for structurally, there seem to be approaches sourcing assets from China, for instance. Many of your competitors are doing this. Are you solving for near current revenues, or are you looking to use other methods, including perhaps partnerships over M&A? That would be helpful.

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Yes. A little bit on the BD, on this one, you can chime in. We had -- very clear about so far we have acquired $20 billion of 2030 revenues. We are very confident that we will hit this number, very confident. So that's so far, so good on that, right?

Looking forward, of course, we are looking at more strategic opportunities right now, which will enhance pipeline in areas that we would like to play rather than near-term revenues on BD. I would ask Andrew to comment, and then if you can speak, Chris, about the GIPR antagonist.

Andrew Baum *Pfizer Inc - Chief Strategy and Innovation Officer, Executive Vice President*

Sure. So Chris, nice to hear your voice. So on the BD side, Albert said the keyword, which is strategic. So everything we do will be doing through a strategic lens of building around our core competencies or building competencies in areas that maybe we have not been in previously, if that's what we decide to do.

On your point regarding China, it has not escaped our attention. Of course, the innovation from China across multiple therapeutic areas. And indeed, that was most evident with oncology seven years ago, but now it's expanding to most therapeutic areas. They're mostly fast-forwards, but I expect that will change as well. It's a scenario that we are very, very active in. We continue to have very fruitful discussions, and let's just see where we go -- have interest.

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

We have a very strong footprint in China, and that includes commercial, but we have a very strong R&D footprint that they are looking at Chinese innovation because they are progressing very fast, and to identify -- Chris?

Chris Boshoff *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

On the GIPR antagonist, this is potentially a first-in-class oral small molecule GIPR antagonist. It's currently in an ongoing Phase 1 placebo-controlled study, evaluating the GIPR antagonist in adults with obesity on the background of GLP-1 receptor agonist. If the data from the Phase 2 study are positive, we may potentially be able to develop also fixed-dose combinations, including with GLP-1, including potentially danuglipron in the future.

Operator

Alex Hammond, Wolfe Research.

Alex Hammond *Wolfe Research - Analyst*

On Vyndaqel, with new competitors on the market and on the way, can you walk us through how we should think about the near-term commercial dynamics? Where can we see the largest share impact newly prescribed patients or switches?

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you, Alex. Aamir?

Aamir Malik *Pfizer Inc - Executive Vice President, Chief US Commercial Officer*

Yes. Vynda obviously had very significant momentum in '24. You saw the growth rates and that was due in large part to the commercial efforts and the attention and investment we put behind it. We saw improvement in diagnosis rate as well as new patient starts. And we also did benefit from what was a onetime bolus of annual enrollment patients in the first quarter of '24 due to favorable affordability.

So as we look into '25, there's both headwinds and tailwinds, and we're confident in the growth of Vynda, obviously at a different rate than it grew in '24. We do see increased diagnosis education, growth in the prescriber base. And there will continue to be favorable affordability conditions.

But we do expect that there will be some headwinds. Obviously, you referred to two new market entrants. That will have some impact that remains to be seen both on switching patients as well as new patient starts.

I think it's also important to remember that there will be impact of IRA on Vynda. And the effect that it has on the calendarization of our GTN, with more of the GTN impact coming earlier in the year as we reach the catastrophic phase.

Now, with all of that said, I think we remain really confident and excited. With Vynda, we've got a robust clinical profile that has data both from the clinical trial and the long-term extension. We've got 5-year real-world data on THAOS. We've got strong access, and we are confident in our position as the standard of care.

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

And let's move to the last question.

Operator

Tim Anderson, Bank of America.

Tim Anderson *BofA Global Research - Analyst*

I have a question on just obesity strategy. So to me, late entrant companies with one lead asset might struggle unless they have real clinical differentiation. It could be in a better position if they have a collection of assets. There's naturally turnkey solutions out there in terms of companies that any larger company could either partner with or acquire outright. How is Pfizer looking at its BD efforts in this regard, either partnership or acquisition, that could bring you one or more assets that aren't far away from being in Phase 3?

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Andrew?

Andrew Baum *Pfizer Inc - Chief Strategy and Innovation Officer, Executive Vice President*

Tim, so I agree with your assertion that obesity is heterogeneous and likely require a set of tools encompassing both modalities and different delivery devices in order to manage what is a lifelong condition. These assets do exist. Some are scattered, some have portfolios. But you can imagine that, of course, we are looking at all the opportunities and trying to understand what delivers the most value to patients and, obviously, to Pfizer shareholders.

Albert Bourla *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you very much. And I think that concludes our call. Thank you all for your interest.

2024 was a strong year of performance. And our 2025 strategic priorities are very clear. We are planning to execute as well on them as we executed in 2024. Thank you very much and have a nice day.

Operator

This does conclude today's program. Thank you for your participation. You may disconnect at any time.

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