Pfizer Inc. (PFE)

Updated August 13th, 2025 by Prakash Kolli

Key Metrics

Current Price:	$25	**5 Year CAGR Estimate:**	17.4%	**Market Cap:**	$140.15B
Fair Value Price:	$36	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	07/25/25
% Fair Value:	68%	**5 Year Valuation Multiple Estimate:**	7.9%	**Dividend Payment Date:**	09/02/25
Dividend Yield:	7.0%	**5 Year Price Target**	$46	**Years Of Dividend Growth:**	16
Dividend Risk Score:	D	**Sector:**	Health Care	**Rating:**	Hold

Overview & Current Events

Pfizer Inc. is a global pharmaceutical company focusing on prescription drugs and vaccines. Pfizer's CEO completed a series of transactions significantly altering the company structure and strategy. Pfizer formed the GSK Consumer Healthcare Joint Venture in 2019 with GlaxoSmithKline plc, which includes its over-the-counter business, now known as Haleon. Pfizer fully exited its stake. Pfizer spun off its Upjohn segment and merged it with Mylan forming Viatris for its off patent, branded and generic medicines in 2020. Pfizer's top products are Eliquis, Prevnar family, Paxlovid, Comirnaty, Vyndaqel family, Ibrance, and Xtandi. Pfizer had revenue of $63.6B in 2024.

Pfizer reported solid Q2 2025 results on August 5th, 2025. Companywide revenue grew 10% operationally to $14,653M from $13,283M and adjusted diluted earnings per share climbed 30% to $0.78 versus $0.60 on a year-over-year basis because of growing revenue from the existing portfolio and cost savings. The declines from COVID-related medications have largely stabilized. However, the IRA Medicare Part D Redesign is resulting in higher discounts. Global Biopharmaceuticals sales climbed 10% to $14,305M from $12,991M led by an increase in Primary Care (+12%), Specialty Care (+7%), and Oncology (+11%). Pfizer Centerone saw 18% higher sales to $328M, while Ignite revenue was $20M. Of the top selling drugs, sales changed for Eliquis (+6%), Prevnar (+2%), Paxlovid (+71%), Comirnaty (+65%), Vyndaqel/ Vyndamax (+21%), Ibrance (-8%), Xtandi (+14), and Pacdev (+38%).

Pfizer is focused on reorganizing its R&D structure to increase productivity and simplify processes. At the same time, the firm is pursuing cost savings by realigning programs and optimizing manufacturing. The goal is $7.2B in total net savings between 2024 and 2027. These activities should improve margins and profitability.

Pfizer kept revenue guidance at $61.0B - $64.0B and raised adjusted diluted EPS guidance at $2.90 - $3.10 in 2025.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$2.20	$2.40	$2.65	$3.00	$2.95	$2.22	$4.42	$6.58	$1.84	$3.11	***$3.00***	***$3.83***
DPS	$1.12	$1.20	$1.28	$1.36	$1.44	$1.52	$1.56	$1.60	$1.64	$1.68	***$1.72***	***$1.90***
Shares[1]	6175	6070	5979	5717	5534	5578	5623	5619	5647	5667	***5610***	***5336***

Pfizer's current product line is expected to produce top line and bottom-line growth out to 2030 because of significant R&D and acquisitions. As a result, Pfizer's current product line is growing. Future growth will come from increasing sales for approved indications, extensions, R&D, bolt-on acquisitions, and margin expansion. However, we do not expect more large acquisitions. Pfizer has a strong pipeline in oncology, inflammation & immunology, internal medicine, and vaccines and recently revamped its R&D leadership and organization. However, loss of exclusivity (LOE) in Eliquis, Ibrance, and other drugs will cause a headwind between 2025 and 2028. Tariffs are also a headwind on results.

We are expecting 5% earnings per share growth out to 2030. We have set our dividend growth rate to 2% due to the spinoffs and higher debt, but this may be low. Pfizer is not focused on share repurchases. The company's capital allocation emphasis is strengthening the business, maintaining and growing the dividend, and de-levering in 2025.

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[1] Share count in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	14.7	13.5	13.7	14.6	13.3	29.5	10.7	9.5	14.0	8.5	***8.2***	***12.0***
Avg. Yld.	3.3%	3.7%	3.8%	3.5%	3.6%	4.1%	3.7%	3.2%	6.4%	6.3%	***7.0%***	***4.1%***

Pfizer's stock price is up slightly since our last report on beating estimates and raising 2025 guidance. We increased our earnings estimate to the mid-point of 2025 guidance. Our fair value multiple is 12X, accounting for risks to an R&D pharma company. Pfizer's main business is performing well with new drug approvals and a robust pipeline from organic R&D and acquisitions. The current fair value is now $36. Our 5-year price target is now $46.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	51%	50%	48%	45%	49%	68%	35%	24%	89%	54%	***57%***	***50%***

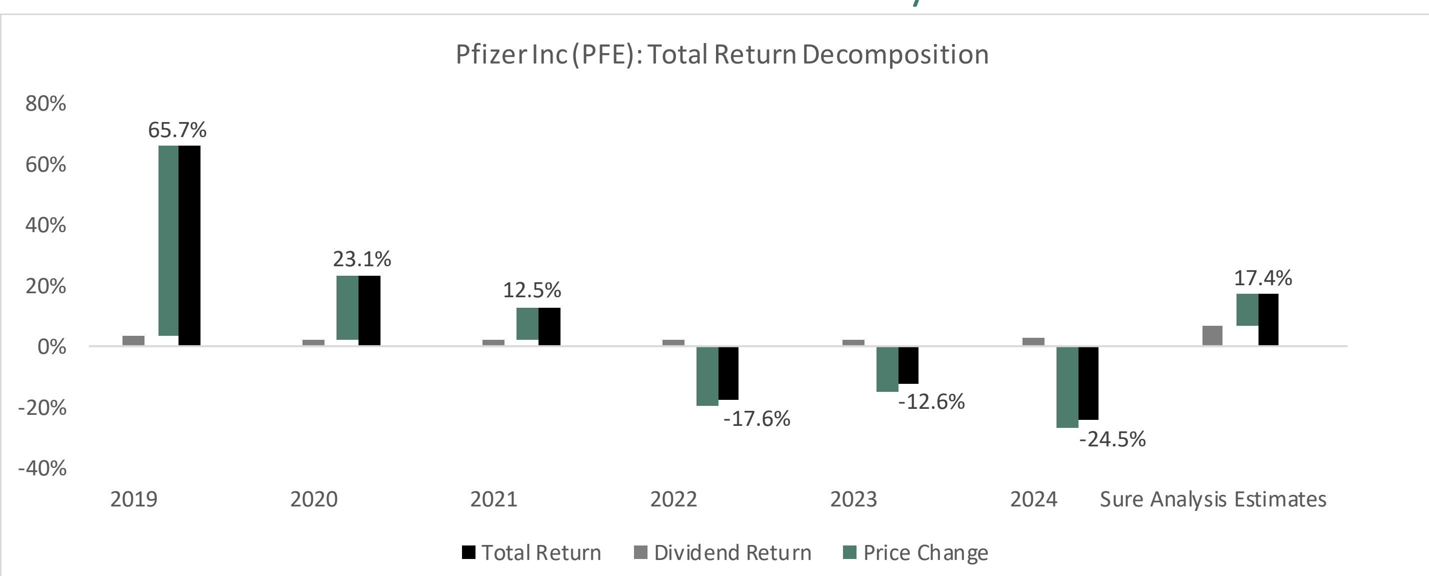
Pfizer is one of the largest pharmaceutical companies in the world. As such, it has scale in R&D, manufacturing, regulatory affairs, distribution, and marketing around the world. This gives Pfizer the ability to bring new therapies to market, partner with smaller companies, or acquire entire companies outright. The current pipeline is robust, and some will likely be blockbuster drugs even after attrition. As a pharmaceutical company, Pfizer is thought to be recession resistant. But there are always risks related to patent expiration, generics, competition, and regulatory approvals.

Debt has increased due to acquisitions, but Pfizer is de-levering. Short-term and current long-term debt are $4,295M and long-term debt is $57,502M offset by cash, equivalents, and marketable securities of $13,249M at end of Q1 2025. Interest coverage is about 6.26X, and leverage ratio is 1.9X.

Final Thoughts & Recommendation

At present we are forecasting 17.4% average annualized total return through 2030 from a dividend yield of 7.0%, 5.0% EPS growth, and 7.9% P/E multiple expansion. Pfizer's acquisitions have resulted in growing franchises with leadership in multiple franchises with a strong pipeline. Also, COVID-related therapies are still in demand. However, the IRA Medicare Part D Redesign is affecting sales volumes. The firm is de-levering and the excellent dividend yield is backed by decent safety and commitment. Income investors should like this equity. We have maintained Pfizer's rating at Hold.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	48851	52824	52546	53647	51750	41908	81288	100330	58496	63627
Gross Profit	39203	40502	41318	42399	41531	33216	50467	65986	33542	45776
Gross Margin	80.3%	76.7%	78.6%	79.0%	80.3%	79.3%	62.1%	65.8%	57.3%	71.9%
SG&A Exp.	14809	14844	14804	14455	14350	11615	12703	13677	14771	14730
D&A Exp.	5157	5757	6269	6384	6010	4777	5191	5064	6290	7013
Operating Profit	12976	13710	14073	15045	13921	8760	20235	37272	3359	14938
Op. Margin	26.6%	26.0%	26.8%	28.0%	26.9%	20.9%	24.9%	37.1%	5.7%	23.5%
Net Profit	6960	7215	21308	11153	16273	9616	21979	31372	2119	8031
Net Margin	14.2%	13.7%	40.6%	20.8%	31.4%	22.9%	27.0%	31.3%	3.6%	12.6%
Free Cash Flow	13192	14193	14585	13631	9994	11612	29869	26031	4793	9835
Income Tax	1990	1123	-9049	706	1384	477	1852	3328	-1115	-28

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets ($B)	167.4	171.6	171.8	159.4	167.5	154.2	181.5	197.2	226.5	213.4
Cash & Equivalents	3641	2595	1342	1139	1305	1784	1944	416	2853	1043
Acc. Receivable	8176	8225	8221	8025	8724	7930	11479	10952	11177	11463
Inventories	7513	6783	7578	7508	8283	8046	9059	8981	10189	10851
Goodwill ($B)	88.6	107.1	104.7	88.6	94.0	78.0	74.4	94.7	132.7	123.9
Total Liab. ($B)	102.4	111.8	100.1	95.7	104.0	907.6	104.0	101.3	137.2	124.9
Accounts Payable	3620	4536	4656	4674	4220	4309	5578	6809	6710	5633
Long-Term Debt	38899	42085	43492	41740	52150	38274	36998	34870	70845	63649
Total Equity	64694	59520	71287	63388	63126	63238	77201	95661	89014	88203
D/E Ratio	0.60	0.71	0.61	0.66	0.83	0.61	0.48	0.36	0.80	0.72

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	4.2%	4.3%	12.4%	6.7%	10.0%	6.0%	13.1%	16.6%	1.0%	3.7%
Return on Equity	10.2%	11.6%	32.6%	16.6%	25.7%	15.2%	31.3%	36.3%	2.3%	9.0%
ROIC	6.6%	7.0%	19.6%	10.1%	14.7%	8.9%	20.3%	25.6%	1.5%	5.1%
Shares Out.	6175	6070	5979	5977	5675	5479	5708	5733	5643	5700
Revenue/Share	7.81	8.58	8.67	8.98	9.12	7.44	14.2	17.5	10.37	11.16
FCF/Share	2.11	2.30	2.41	2.28	1.76	2.06	5.23	4.54	0.85	1.73

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.