Pfizer Inc. (PFE)

Updated February 9th, 2026 by Prakash Kolli

Key Metrics

Current Price:	$27	**5 Year CAGR Estimate:**	14.6%	**Market Cap:**	$154.76B
Fair Value Price:	$35	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	01/23/26
% Fair Value:	78%	**5 Year Valuation Multiple Estimate:**	5.0%	**Dividend Payment Date:**	03/06/26
Dividend Yield:	6.4%	**5 Year Price Target**	$44	**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 that significantly altered the company's 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 in 2020, forming Viatris for its off-patent, branded, and generic medicines. Pfizer's top products are Eliquis, Prevnar family, Paxlovid, Comirnaty, Vyndaqel family, Ibrance, Xtandi, and Pacdev. Pfizer had revenue of $62.6B in 2025.

Pfizer reported Q4 2025 results on February 3rd, 2026. Companywide revenue fell 1% to $17,557M from $17,763M, and adjusted diluted earnings per share gained 5% to $0.66 versus $0.63 on a year-over-year basis due to lower revenue from the existing portfolio, offset by lower costs and expenses. The firm took $2.2B in impairment charges.

Global Biopharmaceuticals sales decreased 3% to $17,144B from $17,413B, led by an increase in Specialty Care (+8%) and Oncology (+9%), offset by a decline in Primary Care (-11%). Pfizer Centerone saw sales rise 26% to $409M. Of the top-selling drugs, sales changed for Eliquis (+10%), Prevnar (+10%), Comirnaty (-33%), Nurtec ODT/Vydura (+3%), Abrysvo, Vyndaqel/ Vyndamax (+9%), Ibrance (-5%), Xtandi (+5%), Pacdev (+15%), and Oncology biosimilars (+77%).

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 its manufacturing processes. The goal is $7.2B in total net savings over 2024-2027. These activities should improve margins and profitability.

After acquiring Metsara, Pfizer announced the VESPER-3 Phase 2 data for a monthly dosing GLP-1 approach. The firm is attempting to enter the obesity market with this product and initiated VESPER-4 Phase 3 trials.

Pfizer set revenue guidance at $59.5B - $62.5B and adjusted diluted EPS guidance at $2.80 - $3.00 in 2026.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.40	$2.65	$3.00	$2.95	$2.22	$4.42	$6.58	$1.84	$3.11	$3.22	***$2.90***	***$3.70***
DPS	$1.20	$1.28	$1.36	$1.44	$1.52	$1.56	$1.60	$1.64	$1.68	$1.72	***$1.75***	***$1.93***
Shares[1]	6070	5979	5717	5534	5578	5623	5619	5647	5667	5713	***5713***	***5713***

Pfizer's current product line is expected to deliver top and bottom-line growth through 2031, driven by acquisitions and licensing agreements. As a result, Pfizer's current product line is growing. Future growth will come from increasing sales for approved indications, extensions, expanding R&D, bolt-on acquisitions, and expanding margins. Pfizer has a strong pipeline in oncology, inflammation & immunology, internal medicine, and vaccines. 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 through 2031. We have set our dividend growth rate to 2% due to the spinoffs and higher debt. Pfizer is not focused on share repurchases. The company's capital allocation emphasis in 2025 is growing the dividend, reinvest in the business, and deleveraging.

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[1] Share count in millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	13.5	13.7	14.6	13.3	29.5	10.7	9.5	14.0	8.5	7.6	***9.4***	***12.0***
Avg. Yld.	3.7%	3.8%	3.5%	3.6%	4.1%	3.7%	3.2%	6.4%	6.3%	7.0%	***6.4%***	***4.4%***

Pfizer's stock price is up again since our last report on beating estimates. We set our 2026 earnings estimate to the mid-point of guidance. Our fair value multiple is 12X, reflecting risks to an R&D-focused pharma company and LOE. Pfizer's primary business is performing well, driven by new drug approvals and a robust pipeline from organic R&D and acquisitions. The current fair value is now $35. Our 5-year price target is now $44.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	50%	48%	45%	49%	68%	35%	24%	89%	54%	53%	***60%***	***52%***

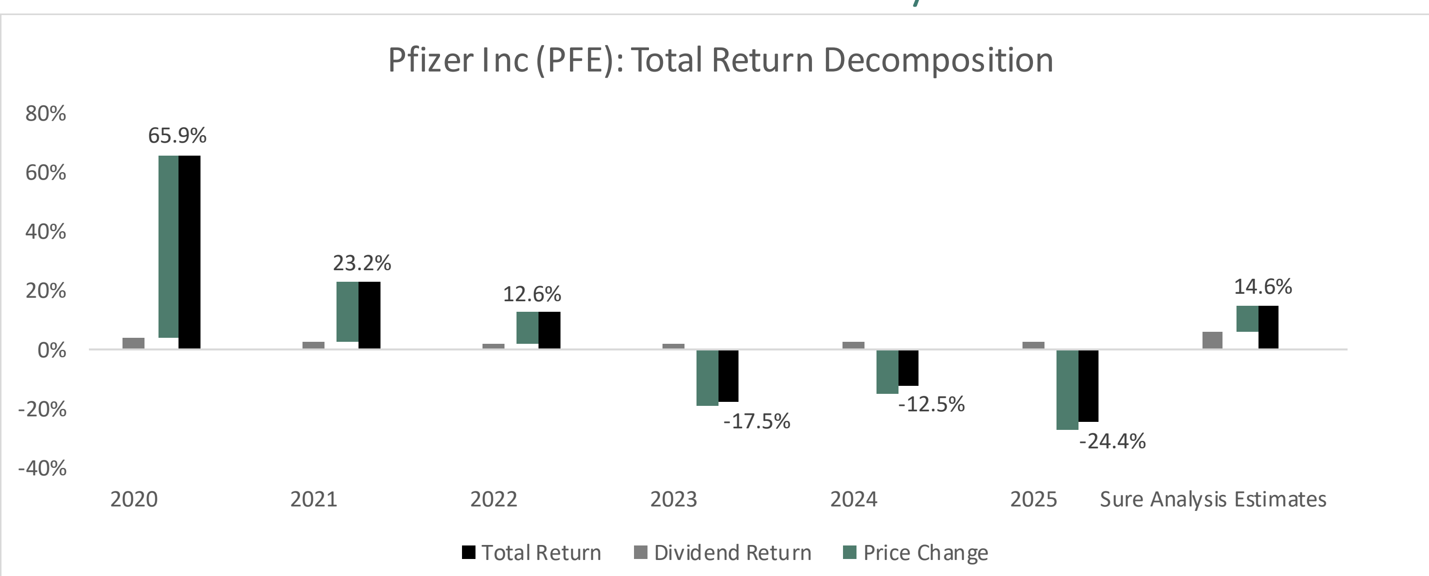
Pfizer is one of the largest pharmaceutical companies in the world. As such, it has scale across R&D, manufacturing, regulatory affairs, distribution, and marketing worldwide. This gives Pfizer the ability to bring new therapies to market, partner with smaller companies, or acquire entire companies outright. The current pipeline is robust, and some will likely be blockbuster drugs even after attrition. As a pharmaceutical company, Pfizer is considered 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 deleveraging. Short-term and current long-term debt are $4,303 and $57,409, respectively, offset by cash, equivalents, and marketable securities of $14,984 at the end of Q3 2025. Interest coverage is about 7.17X, and the leverage ratio is 1.83X.

Final Thoughts & Recommendation

At present, we forecast an average annualized total return of 14.6% through 2031, driven by a 6.4% dividend yield, 5.0% EPS growth, and 5.0% P/E multiple expansion. Pfizer's acquisitions and licensing agreements have resulted in growing franchises with strong pipelines and leadership across various indications, offset by LOE. Also, COVID-related therapies are still in demand, but sales fluctuate. The excellent dividend yield is backed by decent safety metrics and commitment. Income investors should like this equity. We have maintained our rating on Pfizer at Hold.

Total Return Breakdown by Year



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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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	52824	52546	53647	51750	41908	81288	100330	58496	63627	62579
Gross Profit	40502	41318	42399	41531	33216	50467	65986	33542	45776	46512
Gross Margin	76.7%	78.6%	79.0%	80.3%	79.3%	62.1%	65.8%	57.3%	71.9%	74.3%
SG&A Exp.	14844	14804	14455	14350	11615	12703	13677	14771	14730	13794
D&A Exp.	5757	6269	6384	6010	4777	5191	5064	6290	7013	---
Operating Profit	13710	14073	15045	13921	8760	20235	37272	3359	14938	17407
Op. Margin	26.0%	26.8%	28.0%	26.9%	20.9%	24.9%	37.1%	5.7%	23.5%	27.8%
Net Profit	7215	21308	11153	16273	9616	21979	31372	2119	8031	7787
Net Margin	13.7%	40.6%	20.8%	31.4%	22.9%	27.0%	31.3%	3.6%	12.6%	12.4%
Free Cash Flow	14193	14585	13631	9994	11612	29869	26031	4793	9835	---
Income Tax	1123	-9049	706	1384	477	1852	3328	-1115	-28	-266

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets ($B)	171.6	171.8	159.4	167.5	154.2	181.5	197.2	226.5	213.4	---
Cash & Equivalents	2595	1342	1139	1305	1784	1944	416	2853	1043	---
Acc. Receivable	8225	8221	8025	8724	7930	11479	10952	11177	11463	---
Inventories	6783	7578	7508	8283	8046	9059	8981	10189	10851	---
Goodwill ($B)	107.1	104.7	88.6	94.0	78.0	74.4	94.7	132.7	123.9	---
Total Liab. ($B)	111.8	100.1	95.7	104.0	907.6	104.0	101.3	137.2	124.9	---
Accounts Payable	4536	4656	4674	4220	4309	5578	6809	6710	5633	---
Long-Term Debt	42085	43492	41740	52150	38274	36998	34870	70845	63649	---
Total Equity	59520	71287	63388	63126	63238	77201	95661	89014	88203	---
D/E Ratio	0.71	0.61	0.66	0.83	0.61	0.48	0.36	0.80	0.72	---

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	4.3%	12.4%	6.7%	10.0%	6.0%	13.1%	16.6%	1.0%	3.7%	---
Return on Equity	11.6%	32.6%	16.6%	25.7%	15.2%	31.3%	36.3%	2.3%	9.0%	---
ROIC	7.0%	19.6%	10.1%	14.7%	8.9%	20.3%	25.6%	1.5%	5.1%	---
Shares Out.	6070	5979	5977	5675	5479	5708	5733	5643	5700	5713
Revenue/Share	8.58	8.67	8.98	9.12	7.44	14.2	17.5	10.37	11.16	10.95
FCF/Share	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.