VIREO CAPITAL RESEARCH — PFIZER INC (PFE) — VALUATION MODEL

BUY | Price Target: USD 34.00 | August 11, 2026 | Analyst: Gianfranco Cacciola

DDM-Led (60%) / EV-EBITDA (20%) / P/E (20%) | Income Name Methodology | vireocapitalresearch.com

BUY | USD 34.00 price target | +27.7% upside | 6.5% dividend yield | ~34% total return potential

KEY STATISTICS (as of August 11, 2026)

Metric	Value	Note
Current Price (USD)	**$26.63**	*August 11, 2026; prev close $27.05*
Price Target (USD)	**$34.00**	*60% DDM + 20% EV/EBITDA + 20% P/E*
Implied Upside	**27.7%**	*$34.00 / $26.63 - 1 = +27.7% (contrarian; consensus avg $28.64)*
Dividend Yield	**6.5%**	*Annual $1.72 / $26.63; 64 consecutive years*
Total Return Potential	**34.1%**	*Upside + dividend yield*
Forward P/E (NTM)	**8.5x**	*vs. large-cap pharma avg 14-19x*
EV/EBITDA (TTM)	**8.2x**	*vs. sector avg ~12x*
Market Cap (USD B)	**$151.5B**	*~5.69B shares x $26.63*
Annual Dividend	**$1.72**	
Next Earnings	**November 3, 2026**	*Q3 2026 results; first post-Interim CFO earnings call*

BLENDED PRICE TARGET DERIVATION

Methodology	Weight / Implied Price	Key Assumptions
DDM (Gordon Growth)	**60% | ~$35.50**	*D1=$1.755 / (ke 8.5% - g 3.5%) = $35.10; adjusted for near-term premium*
EV/EBITDA Comps	**20% | ~$32.00**	*9.5x FY2026E adj. EBITDA ~$20B = EV $190B; less net debt $55B; / 5.70B shares*
P/E Comps	**20% | ~$30.50**	*10.5x FY2026E adj. EPS $2.90 = $30.45; premium to current 8.5x*
NDED = 60%x$35.50 + 20%x$32.00 + 20%x$3	**USD 34.00**	*$21.30+$6.40+$6.10=$33.80 -> $34.00 | +27.7% from $26.63 | ~34% total return*

et links | YELLOW = key inputs to edit | For educational purposes only — not investment advice

VIREO CAPITAL RESEARCH — PFIZER INC (PFE) — VALUATION MODEL

YELLOW = key inputs (edit these) | BLUE text = hardcoded | GREEN = cross-sheet links | BLACK = formulas

COMPANY & MARKET DATA (as of August 11, 2026)

Company Name	Pfizer Inc.	*NYSE: PFE*
Ticker	PFE	*New York Stock Exchange*
Report Date	August 11, 2026	*Initiating coverage*
Analyst	Gianfranco Cacciola	*Head Research Analyst, Vireo Capital Research*
Current Stock Price (USD)	$26.63	*August 11, 2026 close; prev close $27.05; intraday $26.47-$27.20*
Market Cap (USD B)	$151.5B	*~5.69B shares x $26.63; August 11, 2026*
Shares Outstanding (M)	5,700	*Source: Pfizer Q2 2026 10-Q*
52-Week High (USD)	$28.75	*April 2, 2026*
52-Week Low (USD)	$23.58	*September 25, 2025*
Beta (5Y Monthly)	0.30	*Source: CNBC; low beta reflects defensive pharmaceutical characteristics*
Forward P/E (NTM)	8.50	*Approximate; based on FY2026E adj. EPS midpoint of $2.90*
EV/EBITDA (TTM)	8.20	*Trailing; source: Bloomberg*
EV/Revenue (TTM)	3.40	*Trailing; source: Bloomberg*
Annual Dividend Per Share	$1.72	*Quarterly $0.43; 64 consecutive years of dividend payments*
Dividend Yield %	6.5%	*Annual dividend / current price; at $26.63 yield = 6.46%*
Adjusted Payout Ratio %	59.0%	*~59% of FY2026E adj. EPS midpoint of $2.90*
Short Interest (M shares)	164	*As of July 15, 2026; 2.89% of float*

Analyst Consensus Avg. Target: $28.64 | High: $35.75 (Guggenheim) | Low: $25 | BofA: $27 (Neutral) | Our $34.00 target is contrarian — 19% above consensus

DDM (GORDON GROWTH MODEL) ASSUMPTIONS — 60% WEIGHT

Annual Dividend (USD)	$1.72	*Current annualized dividend; $0.43 quarterly; confirmed Q3 2026*
Risk-Free Rate	4.5%	*U.S. 10-year Treasury yield as proxy; August 2026*
Equity Risk Premium	5.5%	*Market ERP per Damodaran (updated 2026)*
Beta	0.30	*Linked from market data above*
Cost of Equity (CAPM)	8.5%	*Rf + Beta x ERP = CAPM cost of equity*
Terminal Dividend Growth Rate	3.5%	*3.5%; reflects long-run pharma sector growth; below cost of equity*
DDM Implied Value	$35.09	*Gordon Growth: D1 / (ke - g); where D1 = current dividend*
Sensitivity: g = 3.0%	$31.90	*Lower bound; implies conservative long-run growth*
Sensitivity: g = 4.0%	$38.99	

COMPS ASSUMPTIONS — EV/EBITDA (20%) AND P/E (20%)

FY2026E Adj. EBITDA (USD B)	25.0	*Estimate based on guidance midpoint revenue $61.5 B and ~32% EBITDA margin*
Applied EV/EBITDA Multiple	9.5x	*9.5x; premium to BMY at 8x, discount to sector avg 12x; reflects transition*
Implied Enterprise Value (B)	$237.5	*EV = EBITDA x Multiple*
(-) Net Debt (USD B)	55.0	*Long-term debt $60.5B less cash; approximate net debt position*
Implied Equity Value (USD B)	$182.5	*EV minus net debt*
EV/EBITDA Implied Price	$32.02	*Equity value x 1000 / shares (M)*
FY2026E Adj. EPS Midpoint	$2.90	*Company guidance midpoint: $2.80-$3.00*
Applied P/E Multiple	10.5x	*10.5x; modest premium to current 8.5x reflecting base business recovery*
P/E Implied Price	$30.45	*EPS x Multiple*

PFIZER INC — INCOME STATEMENT & KEY METRICS

Source: Pfizer 10-K FY2022-FY2025, Q2 2026 earnings release (August 4, 2026). Next earnings: November 3, 2026. FY2026E-FY2027E: Vireo

Metric	FY2022A	FY2023A	FY2024A	FY2025A	FY2026E	FY2027E
Total Revenue (USD B)	$100.3	$58.5	$63.6	$62.6	$61.5	$64.0
YoY Revenue Growth %	N/M	N/M	8.8%	-1.7%	-1.7%	4.1%
Oncology Revenue (USD B)	N/D	$11.0	$15.6	$16.8	$18.0	$20.0
Specialty Care Revenue (USD B)	N/D	$14.5	$16.7	$17.6	$18.0	$19.0
Primary Care Revenue (USD B)	$73.2	$30.8	$30.1	$26.8	$23.0	$22.0
COVID Revenue (Comirnaty+Paxlovid)	N/D	$14.0	$8.0	$6.0	$4.0	$2.0
Adj. Net Income (USD B)	N/D	$17.5	$10.8	$11.4	$16.5	$18.0
Adj. EPS (Diluted, USD)	$6.58	$2.58	$2.10	$2.02	$2.90	$3.10
GAAP EPS (Diluted, USD)	$5.47	$0.40	$1.41	$1.06	$0.43	$1.20
Dividend Per Share (USD)	$1.60	$1.64	$1.68	$1.72	$1.72	$1.72
Adj. R&D Expense (USD B)	N/D	$10.7	$10.7	$10.9	$11.0	$11.0
Long-Term Debt (USD B)	N/D	$63.0	$62.0	$61.0	$60.5	$58.0
Eliquis Revenue (USD B)	N/D	$6.6	$7.4	$8.4	$9.0	$9.5
Padcev Revenue (USD B)	N/D	N/D	$1.0	$1.4	$2.6	$3.2
Vyndaqel Family (USD B)	N/D	$1.7	$2.3	$2.8	$3.0	$3.2

Source: Pfizer 10-K FY2022-FY2025, Q2 2026 earnings release. FY2026E-FY2027E: Vireo Capital Research estimates and guidance midpoints. COVID revenue = Comirnaty + Paxlovid com

PFIZER INC — DIVIDEND DISCOUNT MODEL — PRIMARY VALUATION (60% WEIGHT)

Income name methodology. DDM carries 60% of blended price target. Gordon Growth Model: Fair Value = D1 / (ke - g) | YELLOW = key inputs linked from Assumptions tab

GORDON GROWTH MODEL INPUTS

Annual Dividend (D0, USD)		$1.72				*Current dividend; links from Assumptions*
Near-Term Dividend Growth (yr 1-3)		2.0%				*2% near-term growth; cost program supports cash flow*
D1 (Next 12-Month Dividend)		$1.75				*D0 x (1 + g_near)*
Cost of Equity (ke)		30.0%				*CAPM from Assumptions: Rf + Beta x ERP*
Terminal Growth Rate (g)		8.5%				*Long-run growth from Assumptions tab*
Spread (ke - g)		21.5%				*Must be positive; currently 5.0%*
DDM Fair Value (Gordon Growth)		$8.16				*D1 / (ke - g) = intrinsic value*

DDM SENSITIVITY ANALYSIS — FAIR VALUE BY COST OF EQUITY AND GROWTH RATE

ke (Cost of Equity) →	g ↓	7.5%	8.0%	8.5%	9.0%	9.5%	10.0%
g = 2.0%		$31.90	$29.24	$26.99	$25.06	$23.39	$21.93
g = 2.5%		$35.09	$31.90	$29.24	$26.99	$25.06	$23.39
g = 3.0%		$38.99	$35.09	$31.90	$29.24	$26.99	$25.06
g = 3.5%		$43.86	$38.99	**$35.09**	$31.90	$29.24	$26.99
g = 4.0%		$50.13	$43.86	$38.99	$35.09	$31.90	$29.24
g = 4.5%		$58.48	$50.13	$43.86	$38.99	$35.09	$31.90

Base case highlighted in YELLOW: ke = 8.5%, g = 3.5%, D1 = $1.755. Analyst consensus avg target is $28.64 — our $34.00 DDM-led target is a contrarian call. Sensitivity: at ke 8.0% / g 3.5% implied = ~$39; at ke 9.0% / g 3.5% implied = ~$30.

DIVIDEND GROWTH PROJECTION (Supporting Analysis)

Metric		FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Dividend Per Share (USD)		$1.72	$1.72	$1.76	$1.80	$1.84
YoY Dividend Growth %		N/M	0.0%	2.3%	2.3%	2.2%
Payout Ratio (Adj. EPS %)		59.0%	55.5%	54.0%	53.0%	52.0%
Adj. EPS Supporting		$2.90	$3.10	$3.26	$3.40	$3.54
PV of Dividend (8.5% disc)		$1.59	$1.46	$1.38	$1.30	$1.22