

# Pfizer Czech Republic

Pharmaceuticals

02 Jun 2014



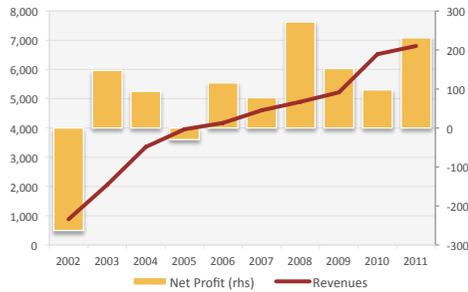
Czech Republic

## COMPANY DESCRIPTION

Pfizer Czech Republic is a Czech Republic-based subsidiary of the multinational pharmaceutical corporation Pfizer. Pfizer, Inc. develops and produces medicines and vaccines for a wide range of medical disciplines, including immunology, oncology, cardiology, diabetology/endocrinology, and neurology. Pfizer's products include the blockbuster drug Lipitor (atorvastatin), used to lower LDL blood cholesterol; Lyrica (pregabalin for neuropathic pain/fibromyalgia); Diflucan (fluconazole), an oral antifungal medication; Zithromax (azithromycin), an antibiotic; Viagra (sildenafil, for erectile dysfunction); and Celebrex/Celebra (celecoxib), an anti-inflammatory drug. Pfizer was founded by cousins Charles Pfizer and Charles Erhart in New York City in 1849 as a manufacturer of fine chemicals.

Main Shareholders: Pfizer Baltic Holdings

## REVENUES & PROFITS, CZK mil



## INCOME STATEMENT

CZK mil	2007	2008	2009	2010	2011
<b>Sales</b>	<b>4,606</b>	<b>4,896</b>	<b>5,220</b>	<b>6,525</b>	<b>6,807</b>
Cost of Goods & Services	3,871	4,244	4,608	5,829	6,051
<b>Gross Profit</b>	<b>734.5</b>	<b>652.9</b>	<b>612.3</b>	<b>696.2</b>	<b>755.4</b>
Staff Cost	285.9	282.6	279.6	345.6	388.8
Other Cost	260.5	-38.0	95.6	186.8	50.5
<b>EBITDA</b>	<b>188.1</b>	<b>408.2</b>	<b>237.1</b>	<b>163.7</b>	<b>316.1</b>
Depreciation	25.5	21.6	20.3	22.2	13.5
<b>EBIT</b>	<b>162.6</b>	<b>386.7</b>	<b>216.8</b>	<b>141.6</b>	<b>302.6</b>
Financing Cost	42.0	54.3	22.9	18.7	17.5
Extraordinary Cost	-3.9	0.0	0.0	0.0	0.0
<b>Pre-Tax Profit</b>	<b>124.4</b>	<b>332.4</b>	<b>194.0</b>	<b>122.8</b>	<b>285.1</b>
Tax	46.6	60.5	41.3	25.3	53.8
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>77.9</b>	<b>271.8</b>	<b>152.6</b>	<b>97.6</b>	<b>231.3</b>

## BALANCE SHEET

CZK mil	2007	2008	2009	2010	2011
<b>Non-Current Assets</b>	<b>464.7</b>	<b>444.1</b>	<b>437.6</b>	<b>369.5</b>	<b>16.5</b>
Property, Plant & Equipment	463.6	442.7	436.6	369.1	16.3
<b>Current Assets</b>	<b>2,337</b>	<b>2,006</b>	<b>2,187</b>	<b>2,632</b>	<b>2,866</b>
Inventories	860.5	860.6	893.0	1,012	958.9
Receivables	1,070	893.9	862.1	1,331	1,305
Cash & Cash Equivalents	7.8	7.1	183.6	113.4	172.3
<b>Total Assets</b>	<b>2,802</b>	<b>2,451</b>	<b>2,626</b>	<b>3,002</b>	<b>2,885</b>
<b>Shareholders' Equity</b>	<b>280.3</b>	<b>552.2</b>	<b>704.8</b>	<b>802.4</b>	<b>1,034</b>
<b>Liabilities</b>	<b>2,522</b>	<b>1,899</b>	<b>1,921</b>	<b>2,200</b>	<b>1,851</b>
<b>Non-Current Liabilities</b>	<b>1,410</b>	<b>1,089</b>	<b>1,211</b>	<b>1,005</b>	<b>0.4</b>
Long-Term Debt	1,410	1,089	1,211	1,005	0.4
<b>Current Liabilities</b>	<b>1,067</b>	<b>739.9</b>	<b>695.5</b>	<b>1,173</b>	<b>1,835</b>
Short-Term Debt	0.0	36.2	0.0	0.0	856.0
Trade Payables	911.0	613.2	556.9	919.1	733.8

	2007	2008	2009	2010	2011
<b>Sale Growth</b>	<b>10.4%</b>	<b>6.3%</b>	<b>6.6%</b>	<b>25.0%</b>	<b>4.3%</b>
<b>EBIT Growth</b>	<b>3.6%</b>	<b>137.8%</b>	<b>-43.9%</b>	<b>-34.7%</b>	<b>113.8%</b>
<b>Net Profit Growth</b>	<b>-32.7%</b>	<b>249.1%</b>	<b>-43.8%</b>	<b>-36.1%</b>	<b>137.0%</b>

	2007	2008	2009	2010	2011
<b>Asset Growth</b>	<b>-16.2%</b>	<b>-12.5%</b>	<b>7.1%</b>	<b>14.3%</b>	<b>-3.9%</b>
<b>Net Debt Growth</b>	<b>-35.0%</b>	<b>-20.2%</b>	<b>-8.1%</b>	<b>-13.2%</b>	<b>-23.3%</b>
<b>Equity Growth</b>	<b>38.5%</b>	<b>97.0%</b>	<b>27.6%</b>	<b>13.8%</b>	<b>28.8%</b>

## CASH FLOW

CZK mil	2007	2008	2009	2010	2011
Net Profit	n.a.	n.a.	n.a.	n.a.	n.a.
Depreciation	n.a.	n.a.	n.a.	n.a.	n.a.
Non-Cash Items	n.a.	n.a.	n.a.	n.a.	n.a.
Change in Working Capital	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total Cash From Operations</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
Capital Expenditures	n.a.	n.a.	n.a.	n.a.	n.a.
Other	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total Cash From Investing</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
Dividends Paid	n.a.	n.a.	n.a.	n.a.	n.a.
Issuance Of Shares	n.a.	n.a.	n.a.	n.a.	n.a.
Issuance Of Debt	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total Cash From Financing</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
<b>NET CHANGE IN CASH</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>

## RATIOS & OTHER

	2007	2008	2009	2010	2011
Gross Margin	15.9%	13.3%	11.7%	10.7%	11.1%
EBITDA Margin	4.1%	8.3%	4.5%	2.5%	4.6%
EBIT Margin	3.5%	7.9%	4.2%	2.2%	4.4%
Net Margin	1.7%	5.6%	2.9%	1.5%	3.4%
ROE	32.3%	65.3%	24.3%	12.9%	25.2%
ROCE	5.3%	17.7%	9.5%	5.7%	13.9%
Net Debt/Equity	500%	203%	146%	111%	66%
Net Debt/EBITDA	7.5	2.7	4.3	5.4	2.2
Cost of Financing	2.3%	4.3%	2.0%	1.7%	1.9%
Payout Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
Cash Conversion Cycle	80	88	87	80	84
FX TO USD (Average)	20.3	17.0	19.1	19.1	17.7
FX TO USD (Year-End)	18.2	19.2	18.4	18.7	19.7

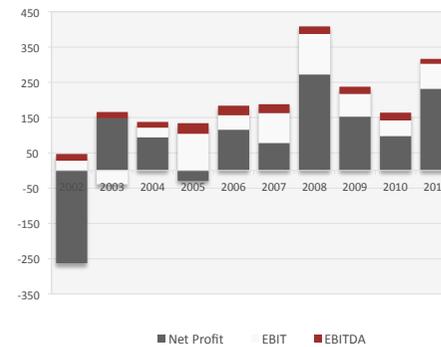
Source: Company data, Helgi Analytics calculation



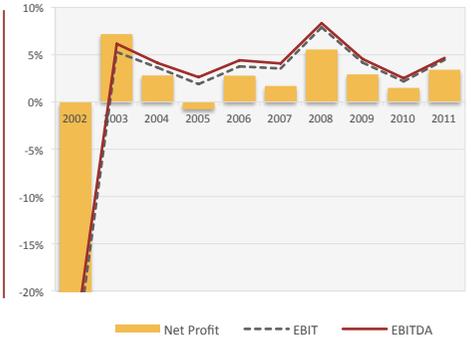
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## Financials

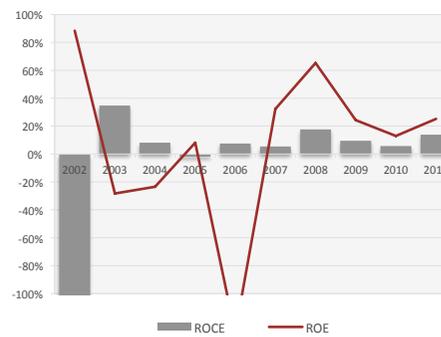
### FROM EBITDA TO NET PROFIT CZK mil



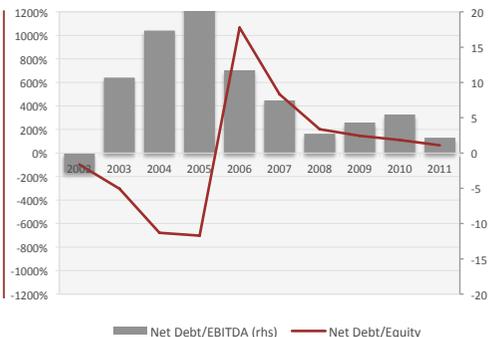
### PROFIT MARGIN



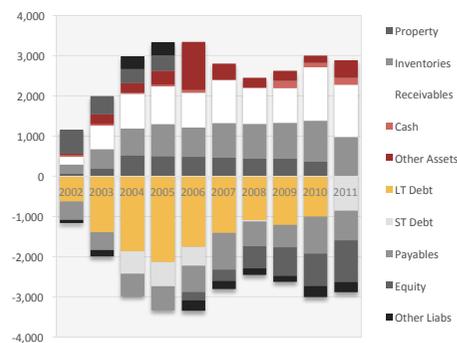
### ROE & ROCE



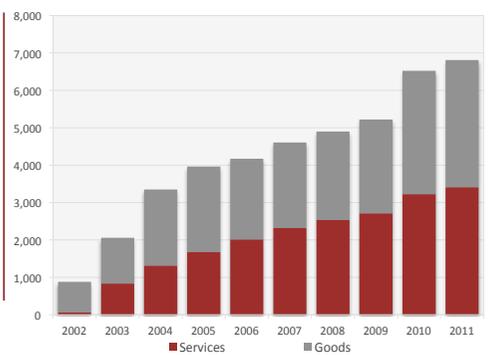
### INDEBTEDNESS



### BALANCE SHEET STRUCTURE, CZK mil



### PFIZER'S SALES BREAKDOWN (CZK mil)



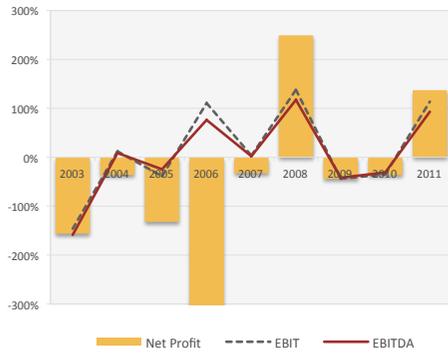
Source: Company data, Helgi Analytics calculation



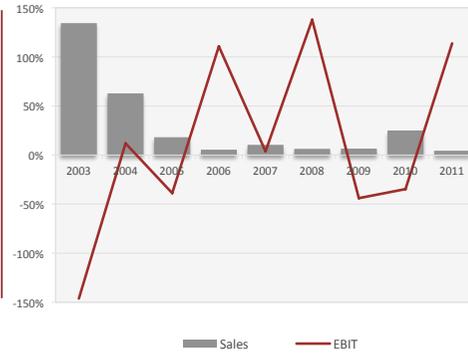
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## Momentum

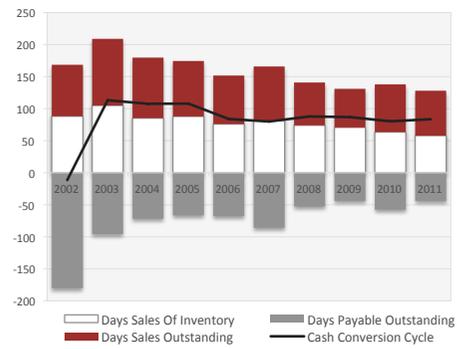
### PROFIT GROWTH



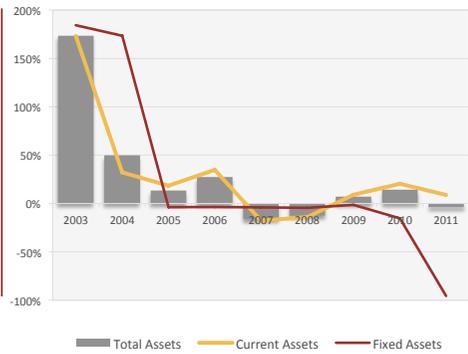
### SALES GROWTH



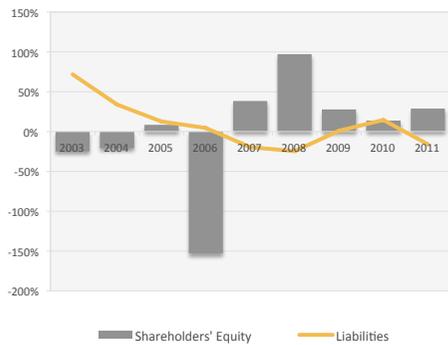
### CASH CONVERSION CYCLE (days)



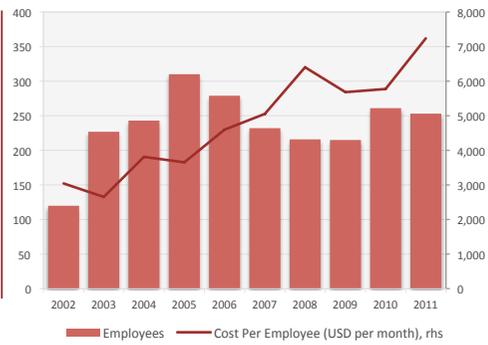
### ASSET GROWTH



### EQUITY & LIABILITIES GROWTH



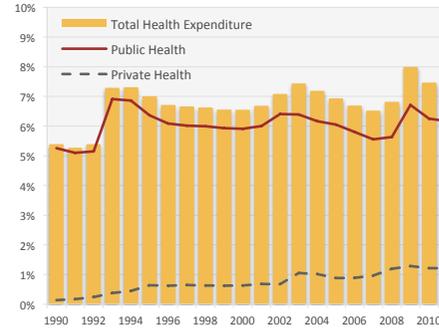
### EMPLOYEES & EMPLOYEES COSTS



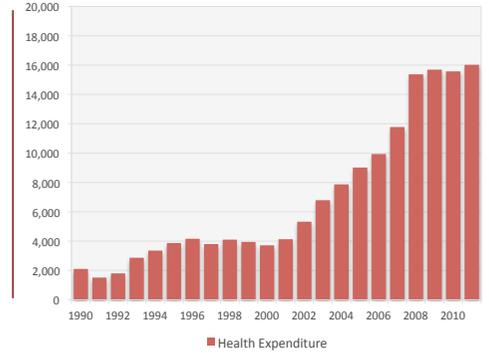
Source: Company data, Helgi Analytics calculation

## Market Specifics

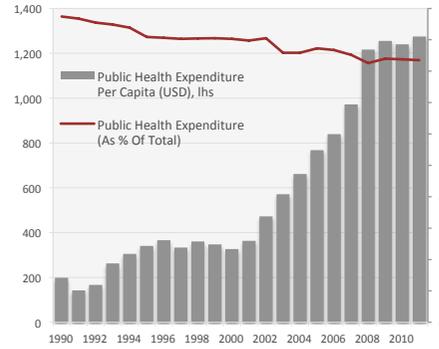
### STRUCTURE OF HEALTH EXPENDITURE (AS % OF GDP)



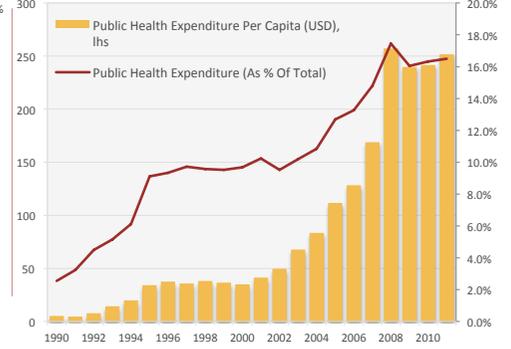
### HEALTH EXPENDITURE IN CZECH REPUBLIC (USD mil)



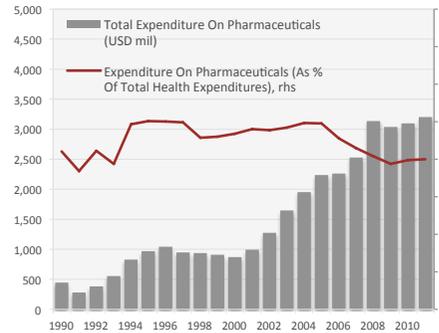
### PUBLIC HEALTH EXPENDITURE



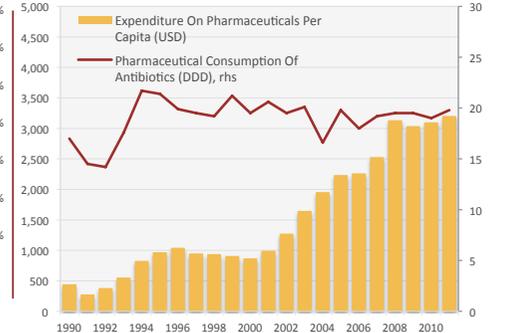
### PRIVATE HEALTH EXPENDITURE



### PHARMACEUTICALS IN CZECH REPUBLIC



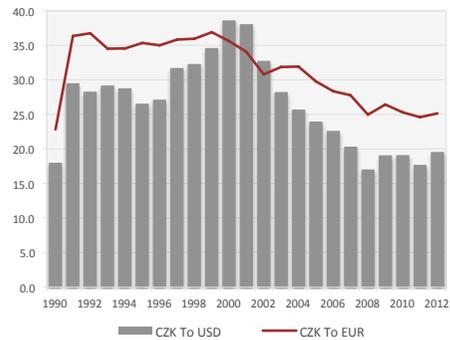
### CONSUMPTION & EXPENDITURE ON PHARMACEUTICALS



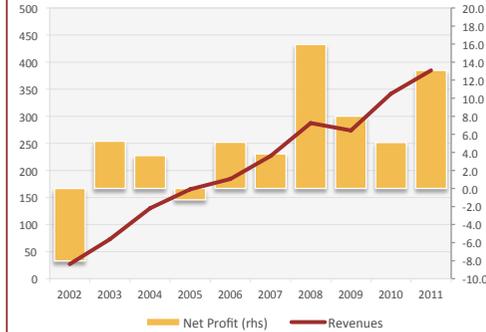
Source: Company data, Helgi Analytics calculation

## Financials (USD)

### FX TO USD



### REVENUES & PROFITS (USD mil)



### INCOME STATEMENT

USD mil	2007	2008	2009	2010	2011
<b>Sales</b>	<b>226.8</b>	<b>287.4</b>	<b>273.9</b>	<b>341.4</b>	<b>384.9</b>
Cost of Goods & Services	190.6	249.1	241.8	305.0	342.1
<b>Gross Profit</b>	<b>36.2</b>	<b>38.3</b>	<b>32.1</b>	<b>36.4</b>	<b>42.7</b>
Staff Cost	14.1	16.6	14.7	18.1	22.0
Other Cost	12.8	-2.2	5.0	9.8	2.9
<b>EBITDA</b>	<b>9.3</b>	<b>24.0</b>	<b>12.4</b>	<b>8.6</b>	<b>17.9</b>
Depreciation	1.3	1.3	1.1	1.2	0.8
<b>EBIT</b>	<b>8.0</b>	<b>22.7</b>	<b>11.4</b>	<b>7.4</b>	<b>17.1</b>
Financing Cost	2.1	3.2	1.2	1.0	1.0
Extraordinary Cost	-0.2	0.0	0.0	0.0	0.0
<b>Pre-Tax Profit</b>	<b>6.1</b>	<b>19.5</b>	<b>10.2</b>	<b>6.4</b>	<b>16.1</b>
Tax	2.3	3.6	2.2	1.3	3.0
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>3.8</b>	<b>16.0</b>	<b>8.0</b>	<b>5.1</b>	<b>13.1</b>
<b>Sale Growth</b>	<b>23.0%</b>	<b>26.7%</b>	<b>-4.7%</b>	<b>24.6%</b>	<b>12.7%</b>
<b>EBIT Growth</b>	<b>15.4%</b>	<b>183.5%</b>	<b>-49.9%</b>	<b>-34.9%</b>	<b>131.0%</b>
<b>Net Profit Growth</b>	<b>-25.0%</b>	<b>316.2%</b>	<b>-49.8%</b>	<b>-36.3%</b>	<b>156.1%</b>

### BALANCE SHEET

USD mil	2007	2008	2009	2010	2011
<b>Non-Current Assets</b>	<b>25.6</b>	<b>23.1</b>	<b>23.8</b>	<b>19.7</b>	<b>0.8</b>
Property, Plant & Equipment	25.5	23.1	23.8	19.7	0.8
<b>Current Assets</b>	<b>128.5</b>	<b>104.5</b>	<b>119.0</b>	<b>140.4</b>	<b>145.8</b>
Inventories	47.3	44.8	48.6	54.0	48.8
Receivables	58.8	46.5	46.9	71.0	66.4
Cash & Cash Equivalents	0.4	0.4	10.0	6.1	8.8
<b>Total Assets</b>	<b>154.1</b>	<b>127.7</b>	<b>142.9</b>	<b>160.2</b>	<b>146.8</b>
<b>Shareholders' Equity</b>	<b>15.4</b>	<b>28.8</b>	<b>38.4</b>	<b>42.8</b>	<b>52.6</b>
<b>Liabilities</b>	<b>138.7</b>	<b>98.9</b>	<b>104.5</b>	<b>117.4</b>	<b>94.2</b>
<b>Non-Current Liabilities</b>	<b>77.5</b>	<b>56.7</b>	<b>65.9</b>	<b>53.7</b>	<b>0.0</b>
Long-Term Debt	77.5	56.7	65.9	53.7	0.0
<b>Current Liabilities</b>	<b>58.7</b>	<b>38.5</b>	<b>37.8</b>	<b>62.6</b>	<b>93.4</b>
Short-Term Debt	0.0	1.9	0.0	0.0	43.6
Trade Payables	50.1	31.9	30.3	49.0	37.3
<b>Asset Growth</b>	<b>-3.8%</b>	<b>-17.2%</b>	<b>11.9%</b>	<b>12.1%</b>	<b>-8.4%</b>
<b>Net Debt Growth</b>	<b>-25.4%</b>	<b>-24.5%</b>	<b>-4.0%</b>	<b>-14.8%</b>	<b>-26.9%</b>
<b>Equity Growth</b>	<b>58.9%</b>	<b>86.5%</b>	<b>33.4%</b>	<b>11.7%</b>	<b>22.8%</b>

### CASH FLOW

USD mil	2007	2008	2009	2010	2011
Net Profit	n.a.	n.a.	n.a.	n.a.	n.a.
Depreciation	n.a.	n.a.	n.a.	n.a.	n.a.
Non-Cash Items	n.a.	n.a.	n.a.	n.a.	n.a.
Change in Working Capital	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total Cash From Operations</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
Capital Expenditures	n.a.	n.a.	n.a.	n.a.	n.a.
Other	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total Cash From Investing</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
Dividends Paid	n.a.	n.a.	n.a.	n.a.	n.a.
Issuance Of Shares	n.a.	n.a.	n.a.	n.a.	n.a.
Issuance Of Debt	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total Cash From Financing</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
<b>NET CHANGE IN CASH</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>

### RATIOS & OTHER

	2007	2008	2009	2010	2011
Gross Margin	15.9%	13.3%	11.7%	10.7%	11.1%
EBITDA Margin	4.1%	8.3%	4.5%	2.5%	4.6%
EBIT Margin	3.5%	7.9%	4.2%	2.2%	4.4%
Net Margin	1.7%	5.6%	2.9%	1.5%	3.4%
ROE	32%	65%	24%	13%	25%
ROCE	5%	18%	9%	6%	14%
Net Debt/Equity	500%	203%	146%	111%	66%
Net Debt/EBITDA	7.5	2.7	4.3	5.4	2.2
Cost of Financing	2.3%	4.3%	2.0%	1.7%	1.9%
Dividend Payout	n.a.	n.a.	n.a.	n.a.	n.a.
Cash Conversion Cycle	80	88	87	80	84
FX TO USD (Average)	20.3	17.0	19.1	19.1	17.7
FX TO USD (Year-End)	18.2	19.2	18.4	18.7	19.7

Source: Company data, Helgi Analytics calculation



www.HelgiAnalytics.com

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