

Pfizer is looking beyond the COVID-19 market, aiming to be the 'partner of choice for biotech'

[Jaimy Lee](#) Last Updated: May 6, 2022 at 8:46 a.m. ET

Pfizer and BioNTech's COVID-19 vaccine.

AFP via Getty Images

First Published: May 4, 2022 at 2:28 p.m. ET

By

The company is already laying the groundwork for what it will look like when revenue from its COVID-19 franchise begins to wane

Pfizer [PFE, +3.59%](#) is already laying the groundwork for what the pharmaceutical behemoth will look like when revenue from its outsized COVID-19 vaccine and treatment franchise begins to wane.

The company on Tuesday reiterated its expectation that Comirnaty, the COVID-19 vaccine it developed with BioNTech [BNTX, -2.90%](#), is set to bring in \$32 billion in revenue in 2022. Paxlovid, the game-changing COVID-19 antiviral that received approval from the Food and Drug Administration in December, is expected to generate \$22 billion in sales this year.

Because these projections are based on contracts signed by mid-April, they could change, particularly for Paxlovid, as COVID-19 infections increase.

Advertisement

"People are tired after three years of living very different, difficult lives," Pfizer CEO Albert Bourla told MarketWatch. "So it's clear that we will start seeing more and more waves. When people are wearing masks, when they are not having to provide guarantees that they are vaccinated or not, there will be waves. I don't know if that will happen in the fall or it will happen in a different time in the U.S. because we have been surprised. But it will happen."

Comirnaty's \$13.3 billion in revenue in the first quarter handily beat Wall Street's expectations — the FactSet consensus was \$10.5 billion — but that means roughly 41% of Pfizer's projected sales for Comirnaty this year took place in the first three months of the year.

That's "a clear signal of slowing in the vaccine end market and directly in conflict with the 'back-half weighted' revenue trajectory for the year implied by [Moderna] management for their franchise," SVB Securities analyst Mani Foroohar told investors on Wednesday.

Moderna's [MRNA, -4.97%](#) leadership has instead predicted that the bulk of its COVID-19 vaccine sales will occur in the second half of the year, timed to a fall booster campaign in the Western Hemisphere. (Moderna on Wednesday [reported \\$5.9 billion in sales of its COVID-19 vaccine](#) in the first quarter and projects \$21.0 billion in total sales for the shot in 2022.)

If Wall Street thinks that the COVID-19 vaccine market is waning, that could further explain why a cash-flush Pfizer is feeling acquisitive. The company has already spent about \$7 billion on deals in the last six months, with plans for more dealmaking.

Pfizer just closed its \$6.7 billion acquisition of Arena Pharmaceuticals Inc. That deal gives Pfizer ownership of an experimental ulcerative colitis drug that [recently reported](#) impressive top-line data from a Phase 3 clinical trial.

("We think we have best in class," Bourla said.) Then, the company said last month [it's buying](#) ReViral Ltd., a privately held company developing respiratory syncytial virus therapies, for up to \$525 million.

"We continue to expect many more transactions from Pfizer over the next couple of years as management works to boost their pipeline and product portfolio," Mizuho Securities analyst Vamil Divan told investors.

That's a sentiment reinforced by Bourla himself.

"We are sourcing innovation also from the external and then we develop it internally," Bourla said. "We are strong believers that the company that would become the partner of choice for biotech is the company that would give the next breakthroughs."

Still, that doesn't mean Pfizer is done with trying to improve upon its COVID-19 franchise. Bourla notes that the company is trying to figure out how to reduce the size and number of Paxlovid pills that patients have to take. A Paxlovid prescription currently requires patients to take three pills every day over the five-day course of treatment.

Pfizer's stock has declined 16.8% in the year to date, while the broader S&P 500 [SPX, +0.01%](#) is down 12.4%.

An earlier version of the story incorrectly described the ReViral deal. It is worth up to \$525 million.