Journal of Financial, Accounting and Managerial Studies
ISSN 2352-9962/E-ISSN 2572-0147
Volume09 Number 02- December 2022

OEB Univ. Publish. Co.

Intangible Assets -valuation and Economic Benefit- -Pfizer Case Study-

الأصول غير الملموسة –التقييم والمنفعة الاقتصادية–

– شركة فايزر نموذجا –

AMRI Sami [1*],
[1] University Ferhat Abbas Setif 1 (Algeria), sami.amri@univ-setif.dz

Date of receipt: **2022-06-18** Date of revision: **2022-06-21** Date of acceptation: **2022-12-29**

Abstract

In this paper, we have explained the economic importance of intangible assets to make the right decision on how to use them in an optimal way. At first, we tried to define the intangible assets, through an economic analysis of the characteristics of these assets, in addition to that we explained he most important way to evaluate them.

Then in the next step, and by applying to Pfizer, we calculated some indicators before and after deleting the intangible assets, to notice their impact in creating value on the company.

The most important result that was reached is that intangible assets have a direct role in creating value in Pfizer, and by removing them from the financial statements, the company's performance will decline and cannot be dispensed with in the evaluation of the company.

Keywords: Intangible Assets, Value Creation, Economic Benefits, Pfizer.

ملخص

في هذه الورقة، أوضحنا الأهمية الاقتصادية للأصول غير الملموسة لاتخاذ القرار الصحيح بشأن كيفية استخدامها بالطريقة المثلى. في البداية حاولنا تحديد الأصول غير الملموسة، من خلال تحليل اقتصادي لخصائص هذه الأصول، والتطرق لأهم طريقة لتقييمها.

ثم في الخطوة الموالية، قمنا بحساب بعض المؤشرات قبل وبعد حذف الأصول غير الملموسة في شركة فايزر، لملاحظة تأثيرها على خلق قيمة في الشركة.

وأهم نتيجة تم التوصل إليها هي أن الأصول غير الملموسة لها دور مباشر في خلق القيمة في شركة فايزر، وبإزالتها من القوائم المالية يتراجع أداء الشركة بنسبة كبيرة جدا وهو ما يؤكد أنه لا يمكن الاستغناء عنها.

الكلمات المفتاحية: الأصول غير الملموسة، خلق القيمة، المنفعة الاقتصادية، شركة فايزر.

* Corresponding Author

1. INTRODUCTION

Regardless of the method used, an enterprise evaluation is essentially an assessment of an enterprise's ability to create value in the future especially in the current service-based economy, it ensures customer loyalty and the ability to attract talent and innovation over the life of enterprise.

The intangible assets have become one of the most important components of capital in the process of corporate wealth creation.

Today, we are living in what is variously called the information age, the computer age, the communications age, and the technology age. When one considers all of these names collectively, it is easy to conclude that we are living in the intangible asset age. In addition to controlling the Adam Smith components of wealth—land, labor, and capital (meaning factories and equipment)—successful businesses today also control great stores of intangible assets.

Intangible assets are also one of the main sources of value creation and a source of competitive advantage, although they are not always visible in the balance sheet, so their valuation is a necessary element to know whether they contribute to creating value for the enterprise or not. Hence, the problematic of this research paper is follows:

- **What is the role of intangible assets in creating value in enterprise?**

To address this problem, the research paper was divided into the following topics:

- **Intangible assets**
- **The role of intangible assets in creating value - Pfizer case study-**

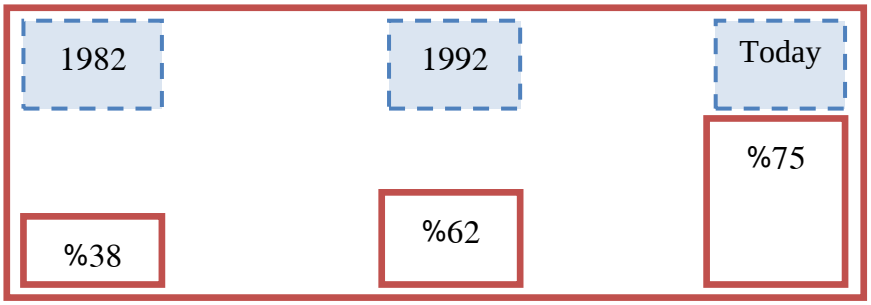
2. Intangible assets

There are numerous legal, accounting, and taxation definitions for the term intangible asset. Most of these definitions typically relate to a specific purpose and are extracted from a particular statutory authority, administrative ruling, or judicial precedent. Such a definition may be entirely sufficient and appropriate for the specific legal, accounting, or taxation application for which it was intended.

The auditor looking at the real assets of the institution in the accounting budget finds that it contributes less than a quarter in value creation, Margaret Blair of the Brookings Institute suggests that tangible assets have continued to tumble in value: "**If you just look at the physical assets of the companies, the things that you can measure with ordinary accounting techniques, these things now account for less than one fourth of the value of the corporate sector. Another way of putting this is that something like 75 percent of the sources of value inside corporations is not being measured or reported on their books.**" (R. Niven, 2002, p. 28), this confirms the importance of intangible assets.

The following fig.01. shows the increasing value of intangible assets for the period from 1982 to the turn of the century Twenty-one:

Fig.1. The Increasing Value of Intangible Assets in Organizations



Source: (R. Niven, 2002, p. 28)

2.1. Intangible assets concept

Before we approach the main theme of the paper, it might be important to look at the theoretical backgrounds of intangible assets, so when searching in the theoretical literature on the subject, we find the following most important definitions:

IAS 38 defines an intangible asset as "**an identifiable non-monetary asset without physical substance.**" It further defines an asset as a resource that: is controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. Thus, the three critical attributes of the IFRS definition of an intangible asset are as follows: (L. Black & L. Zyla, 2018, p. 6)

- Identifiability,
- control over the asset by the entity,
- expected future economic benefits.

It also known are: "assets that have no physical substance. Organizations that have invested large sums to establish brands may find that the value of their intangible assets greatly exceeds the value of their physical assets. An organization usually also has a large number of tangible assets, such as buildings, land, and machinery" (Accounting Tools, 2021).

2.2. Intangible assets valuation

When searching in the theoretical literature, we find that there are many methods and approaches used in valuing intangible assets, and perhaps the most important method is: (Gulshat, Ekaterina, & Olga, 2019)

*** The "CIV" method**

It is a method of valuing a company's intangible assets (**C**alculating the **I**ntangible **V**alue). This account attempts to allocate a fixed value to intangible assets that do not change according to the company's market value. Examples of intangible assets include: Brand Equity and Proprietary Technology.

A company's intangible assets are usually valued by subtracting the book value of the company from its market value. However, opponents of this method argue that because the market value is constantly changing, the value of intangible assets also changes, making them an undervalued

secondary measurement. The search for calculated intangible value (CIV) for a company includes seven steps:

1. Calculate the average earnings before tax over the past three years.
2. Calculation of the average year-end tangible assets over the past three years.
3. Calculation the company's return on assets (ROA).
4. Calculate the average return on assets (ROA) for the sector for the same three-year period as in step 2.
5. Calculate the excess return on assets (ROA) by multiplying the average return on assets for the segment by the average tangible assets calculated in step 2, then subtracting the excess return from pre-tax earnings from step 1.
6. Calculate the tax rate or rate over the three years for the company and multiply it by the excess return, then deduct the result from the excess return.
7. Calculate the net present value of the excess return after tax, using the company's cost of capital as the discount rate.

3. The role of intangible assets in creating value -Pfizer case study-

Will be studied some indicators of value creation and intangible assets for Pfizer, which are active in the pharmaceutical industry. In this study, we achieved two complementary goals; one is evaluating intangible assets and knowing the extent to which value is created within the firm, tow is comparing the results with economic benefit and with the goal of the firm.

3.1. Introducing Pfizer company

Pfizer Inc. is a research-based, global pharmaceutical company that discovers, develops, manufactures, and markets medicines for humans and animals. The Company's diversified global healthcare portfolio includes human and animal biologic and small molecule medicines and vaccines, as well as nutritional products and consumer healthcare products. Pfizer's Animal Health business unit discovers, develops and sells products for the prevention and treatment of diseases in livestock and companion animals. It sells its products to wholesalers, distributors, retailers, hospitals, clinics, government agencies, pharmacies, individual provider offices, veterinarians, livestock producers, and grocery and convenience stores. Pfizer Inc. is headquartered in New York.

3.2. Goodwill and Intangible Asset Disclosure

Identifiable intangible assets are Sum of the carrying amounts of all intangible assets, excluding goodwill, as of the balance sheet date, net of accumulated amortization and impairment charges.

Also, Goodwill is Amount after accumulated impairment loss of an asset representing future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized.

In Pfizer, the intangible assets are represented in the following:

Tab 1. Pfizer Inc., balance sheet: goodwill and intangible assets

/	**2017**	**2018**	**2019**	**2020**	**2021**
Developed technology rights	89,550	89,430	88,730	73,545	73,346
Brands	2,134	923	922	922	922
Licensing agreements and other	1,911	1,436	1,773	2,292	2,284
Finite-lived intangible assets, gross carrying amount*	**93,595**	**91,789**	**91,425**	**76,759**	**76,552**
Accumulated amortization	(57,033)	(60,743)	(65,038)	(52,863)	(55,838)
Finite-lived intangible assets, less accumulated amortization	**36,562**	**31,046**	**26,387**	**23,896**	**20,714**
Brands	6,929	1,991	1,991	827	827
IPR&D	5,250	2,171	5,919	3,175	3,092
Licensing agreements and other	-	3	1,073	573	513
Indefinite-lived intangible assets**	**12,179**	**4,165**	**8,983**	**4,575**	**4,432**
Identifiable intangible assets	**48,741**	**35,211**	**35,370**	**28,471**	**25,146**
Goodwill	55,952	53,411	58,653	49,577	49,208
Identifiable intangible assets and goodwill	**104,693**	**88,622**	**94,023**	**78,048**	**74,354**

2021 Calculations

* Finite-lived intangible assets… = Developed technology rights + Brands + Licensing agreements and other
= 73,346 + 922 + 2,284 = 76.552

** Indefinite-lived intangible assets = Brands + IPR&D + Licensing agreements and other
= 827 + 3,092 +513 = 4,432

Source: (Form 10-K, 2017-2021, pp. 83-84)

By analyzing the table, we can discover the following points:

*** Developed Technology Rights**

Developed technology rights (It decreased from 89,550 in 2017 to 73,346 in 2021, or by 18 percent), represent the cost for developed technology acquired from third parties and can include the right to develop, use, market, sell and/or offer for sale the product, compounds and intellectual property that Pfizer have acquired with respect to products, compounds and/or processes that have been completed. they possess a well-diversified portfolio of hundreds of developed technology rights across therapeutic categories, representing their commercialized products. The significant components of developed technology rights are the following: Xtandi, Prevnar 13/Prevenar 13 Infant...

Also included in this category are the post-approval milestone payments made under their alliance agreements for certain prescription pharmaceutical products.

*** Brands**

Brands (It decreased from 2,134 in 2017 to 922 in 2021, or by 57 percent), represent the cost for tradenames and know-how, as the products themselves do not receive patent protection. Indefinite-lived brands include Medrol and Depo-Medrol, while finite-lived brands include Zavedos and Depo-Provera.

*** IPR&D**

IPR&D assets (It decreased from 5,250 in 2017 to 3,092 in 2021, or by 41 percent) represent R&D assets that have not yet received regulatory approval in a major market.

IPR&D assets are required to be classified as indefinite lived assets until the successful completion or the abandonment of the associated R&D effort. Accordingly, during the development period, these assets are not amortized until approval is obtained in a major market, typically either the U.S. or the EU, or in a series of other countries, subject to certain specified conditions and management judgment. At that time, Pfizer will determine the useful life of the asset, reclassify it out of IPR&D and begin amortization. If the associated R&D effort is abandoned, the related IPR&D assets will likely be written off, and they will record an impairment charge.

IPR&D assets are high-risk assets, given the uncertain nature of R&D. Accordingly, Pfizer expect that many of these IPR&D assets will become impaired and be written-off at some time in the future.

*** Licensing Agreements**

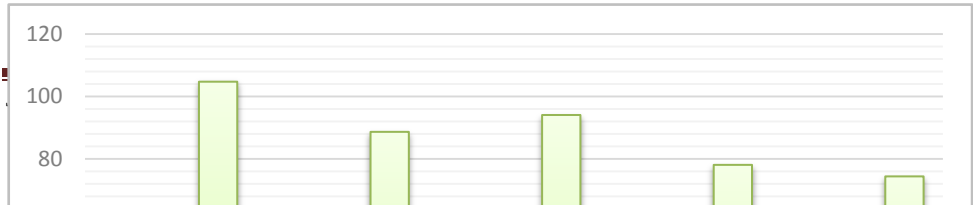
Licensing agreements for developed technology and for technology in development primarily relate to out licensing arrangements acquired from third parties, including the Array acquisition. These assets represent the cost for the license, where Pfizer acquired the right to future royalties and/or milestones upon development or commercialization by the licensing partner. A significant component of the licensing arrangements are for out-licensing arrangements with a number of partners for oncology technology in varying stages of development that have not yet received regulatory approval in a major market. Accordingly, during the development period after the date of acquisition, each of these assets is classified as indefinite-lived intangible assets and will not be amortized until approval is obtained in a major market.

* **Amortization**

The weighted-average life for each of Pfizer total finite-lived intangible assets is approximately 8 years, and for the largest component, developed technology rights, is approximately 7 years. Total amortization expense for finite-lived intangible assets was $3.7 billion in 2021, $3.4 billion in 2020 and $4.5 billion in 2019.

We can represent this evolution in the following figure:

Fig.2. Pfizer Inc., goodwill and intangible assets, selected items



Source: Prepared by researcher

***** In summary, identifiable intangible assets decreased from 2019 to 2020 and from 2020 to 2021, and the main reason for this is due to the decline in rights to developed technology, and a decline in the value of the brand, due to intense competition, especially after the emergence of the COVID-19 epidemic.

3.3. Adjustments to Financial Statements: Removal of Goodwill

In this element, the impact that the intangible assets have placed in the financial statements will be deleted, so that all these changes can be noticed and then the possibility of judgment. This can be shown in the following table:

Tab 2. Pfizer Inc., adjustments to financial statements

	2017	**2018**	**2019**	**2020**	**2021**

Adjustment to Total Assets					
Total assets (as reported)	171,797	159,422	167,489	154,229	181,476
Less: Goodwill	55,952	53,411	58,653	49,577	49,208
Total assets (adjusted)	**115,845**	**106,011**	**108,836**	**104,652**	**132,268**
Adjustment to Total Pfizer Inc. Shareholders' Equity					
Total shareholders' equity (as reported)	71,308	63,407	63,143	63,238	77,201
Less: Goodwill	55,952	53,411	58,653	49,577	49,208
Total shareholders' equity (adjusted)	**15,356**	**9,996**	**4,490**	**13,661**	**27,993**

Source: (Form 10-K, 2017-2021, pp. 52-53)

The most important thing that can be noticed after deleting intangible assets is that they constitute 27 percent of the total assets in 2021, which is almost more than a quarter, which confirms that intangible assets have a very important role in creating value. Hence, we can say that it has economic benefits that benefit the financial position of the company.

3.4. Adjusted Financial Ratios: Removal of Goodwill (Summary)

In this element, the influence that intangible assets have placed in the financial ratios will be eliminated, so that all these changes can be observed and then we can judge. This can be explained in the following table:

Tab 3. Pfizer Inc., adjusted financial ratios

	2017	**2018**	**2019**	**2020**	**2021**
Total Asset Turnover					

Reported total asset turnover	0,31	0,34	0,31	0,27	0,45
Adjusted total asset turnover	0,45	0,51	0,48	0,40	0,61
Financial Leverage					
Reported financial leverage	2,41	2,51	2,65	2,44	2,35
Adjusted financial leverage	7,54	10,61	24,24	7,66	4,73
Return on Equity (ROE)					
Reported ROE	29,88%	17,59%	25,77%	15,2%	28,47%
Adjusted ROE	138,8%	111,6%	362,4%	70,4%	78,52%
Return on Assets (ROA)					
Reported ROA	12,40%	7,00%	9,72%	6,23%	12,11%
Adjusted ROA	18,39%	10,52%	14,95%	9,19%	16,62%

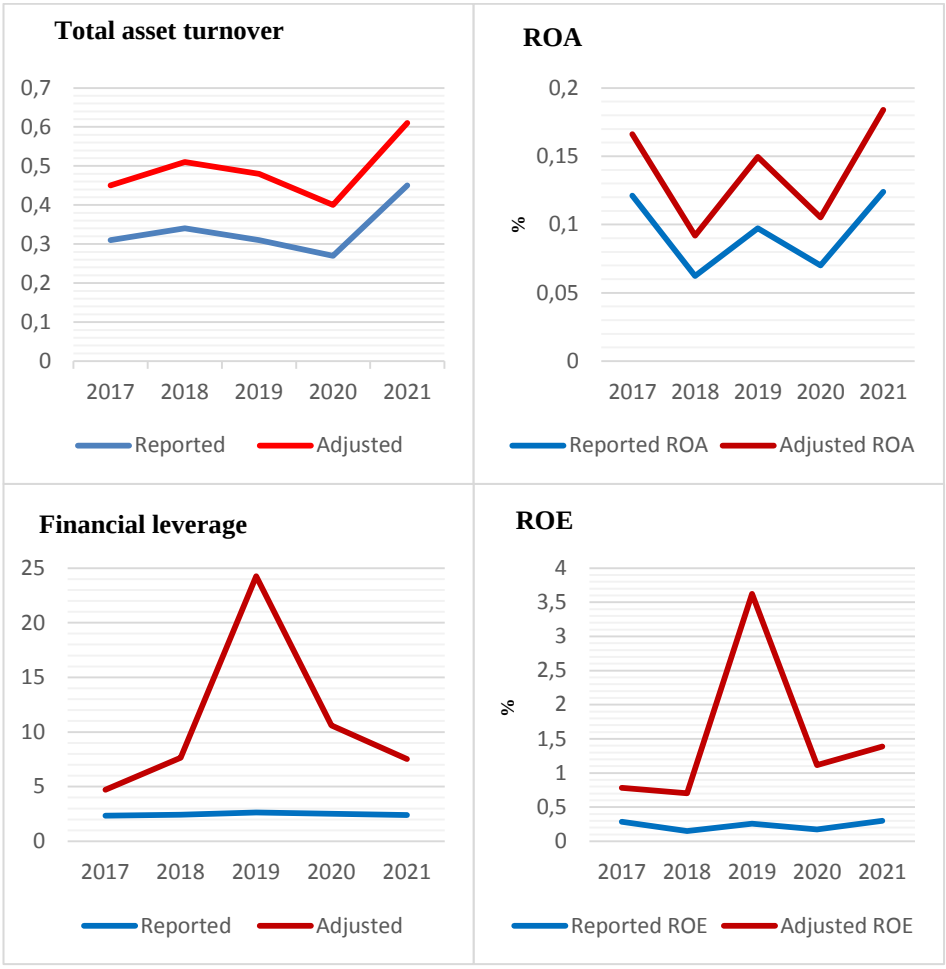
Source: (Form 10-K, 2017-2021)

The total asset turnover rate, we note that it was not affected much after the removal of intangible assets.

The financial leverage is the extent to which a company can effect, through the use of debt, a proportional change in the return on common equity that is greater than a given proportional change in operating income. In Pfizer, we note that financial leverage is greatly affected after removing the impact of intangible assets, as it rose in 2021 to 4,73 after it was 2,41 in 2017.

Regarding return on equity (ROE) and return on assets (ROA), we note that their impact was very large after deleting intangible assets.
We can represent this effect in the following figure:

Fig.4. Pfizer Inc., Financial Ratios: Reported vs. Adjusted



Source: Prepared by researcher

Through the graphic representation we note the following:
adjusted total asset turnover ratio deteriorated from 2019 to 2020 but then improved from 2020 to 2021 exceeding 2019 level. and the Adjusted financial leverage ratio decreased from 2019 to 2020 and from 2020 to 2021. and adjusted ROE deteriorated from 2019 to 2020 but then slightly improved from 2020 to 2021. in finally, adjusted ROA deteriorated from 2019 to 2020 but then improved from 2020 to 2021 exceeding 2019 level.

3.5. Adjusted Total Asset Turnover

The asset turnover ratio measures the efficiency of a company's assets in generating revenue or sales. It compares the dollar amount of sales (revenues) to its total assets as an annualized percentage. Thus, to calculate the asset turnover ratio, divide net sales or revenue by the average total assets, so will be studied the impact of intangible assets on asset turnover by calculating the indicator before and after subtracting the value of intangible assets as in the following table:

Tab 4. Adjusted Total Asset Turnover

	2017	**2018**	**2019**	**2020**	**2021**
As Reported **Selected Financial Data (US$ in millions)**					
Revenues	52,55	53,65	51,75	41,91	81,29
Total assets	171,8	159,4	167,49	154,23	181,5
Activity Ratio					
Total asset turnover*	**0,31**	**0,34**	**0,31**	**0,27**	**0,45**
Adjusted for Goodwill **Selected Financial Data (US$ in millions)**					
Revenues	52,55	53,65	51,75	41,91	81,29
Adjusted total assets	115,9	106	108,84	104,65	132,3
Activity Ratio					
Adjusted total asset turnover**	**0,45**	**0,51**	**0,48**	**0,40**	**0,61**

2021 Calculations

* Total asset turnover = Revenues ÷ Total assets
= 81,288 ÷ 181,476 = 0.45

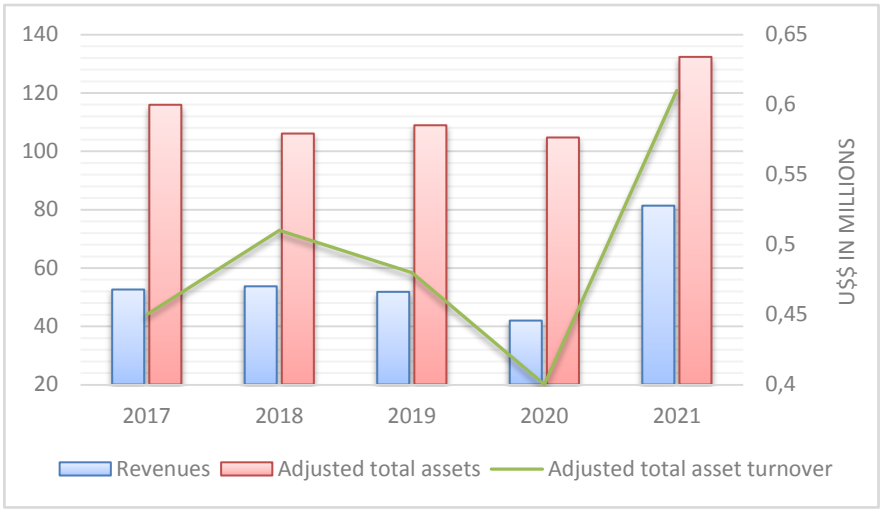
** Adjusted total asset turnover = Revenues ÷ Adjusted total assets
= 81,288 ÷ 132,268 = 0.61

Source: (Form 10-K, 2017-2021, pp. 106-107)

Through the table, we note that adjusted total asset turnover ratio deteriorated from 2019 to 2020 but then improved from 2020 to 2021 exceeding 2019 level, and the adjusted asset turnover rate has increased due to intangible assets, which confirms the direct impact of intangible assets on financial indicators.

To observe this development, we can display the following graph:

Fig.5. Pfizer Inc., adjusted total asset turnover calculation



Source : Prepared by researcher

From the figure.5 we note that the company's total assets declined in the first three years and then improved in recent years to become better than. While the asset turnover rate, we note that it has improved in the last year.

3.6. Adjusted Financial Leverage

Financial leverage is the extent to which a company can effect, through the use of debt, a proportional change in the return on common equity that is greater than a given proportional change in operating income. applying to Pfizer, we find the following:

Tab 5. Adjusted Total Asset Turnover

	2017	**2018**	**2019**	**2020**	**2021**
As Reported **Selected Financial Data (US$ in millions)**					
Total assets	171,8	159,4	167,45	154,30	181,48
Total Pfizer shareholders' equity	71,31	63,41	63,14	63,24	77,20
Solvency Ratio					
Financial leverage*	**2,41**	**2,51**	**2,65**	**2,44**	**2,35**
Adjusted for Goodwill **Selected Financial Data (US$ in millions)**					
Adjusted total assets	115,9	106	108,84	104,65	132,27
Adjusted total Pfizer shareholders' equity	15,36	9,996	4,49	13,67	27,99
Solvency Ratio					
Adjusted financial leverage**	**7,54**	**10,61**	**24,24**	**7,66**	**4,73**

2021 Calculations

* Financial leverage = Total assets ÷ Total Pfizer Inc. shareholders' equity
= 181,476 ÷ 77,201 = 2.35

** Adjusted financial leverage = Adjusted total assets ÷ Adjusted total Pfizer Inc. shareholders' equity
= 132,268 ÷ 27,993 = 4.73

Source: (Form 10-K, 2017-2021)

Pfizer Inc. adjusted financial leverage ratio decreased from 2019 to 2020 and from 2020 to 2021

By analyzing the degree of financial leverage before and after deleting intangible assets, we note that the ratio doubled after deleting intangible assets, which confirms the positive impact and its role in creating value in the company. we can represent it as follows:

Fig.6. Pfizer Inc., adjusted financial leverage calculation

Source : Prepared by researcher

What can be seen from the graph is that in 2019, the ratio of private ownership to total assets decreased to its lowest level, which confirms the company's impact on the health crisis, Covid-19. Then we observe a relative stability in the value year after year.

4. RESULTS AND DISCUSSION

In this paper, we have explained the economic importance of intangible assets to make the right decision on how to use them in an optimal way. At first, we tried to define the intangible assets, through an economic analysis of the characteristics of these assets, in addition to that we explained he most important way to evaluate them.

Then in the next step, and by applying to Pfizer, we calculated some indicators before and after deleting the intangible assets, to notice their impact in creating value on the company, and we reached the following most important results:

4.1. results for Pfizer company

From the previous analysis of intangible assets, we can deduce the following observations for Pfizer:

- Pfizer consolidated balance sheet contains significant amounts of intangible assets, including IPR&D and goodwill. For IPR&D assets, the risk of failure is significant, and there can be no certainty that these assets ultimately will yield successful products. their ability to realize value on these significant investments is often contingent upon, among other

things, regulatory approvals and market acceptance. As such, they expect that many of these IPR&D assets will become impaired and/or be written off at some time in the future if the associated R&D effort is abandoned or is curtailed. For goodwill, all reporting units can confront events and circumstances that can lead to a goodwill impairment charge such as, among other things, unanticipated competition, an adverse action or assessment by a regulator, a significant adverse change in legal matters or in the business climate and/or a failure to replace the contributions of products that lose exclusivity. their other intangible assets, including developed technology rights and brands, face similar risks for impairment. their equity-method investments may also be subject to impairment charges that may result from the occurrence of unexpected adverse events or management decisions that impact their estimates of expected cash flows to be generated from these investments. Pfizer may recognize impairment charges as a result of a weak economic environment, events related to particular customers or asset types, challenging market conditions or decisions by management. Any such impairment charge of their intangible assets, goodwill and equity-method investments may be significant.

A. <u>Developed Technology Rights</u>

Developed technology rights represent the amortized cost associated with developed technology, which has been acquired from third parties and which can include the right to develop, use, market, sell and/or offer for sale the product, compounds and intellectual property that they have acquired with respect to products, compounds and/or processes that have been completed. she possesses a well-diversified portfolio of hundreds of developed technology rights across therapeutic categories, representing the commercialized products included in her biopharmaceutical businesses.

The more significant components of developed technology rights are the following (in order of significance): Xtandi, Prevnar 13/Prevenar 13 Infant, Braftovi/Mektovi, Eucrisa, Premarin, Prevnar 13/Prevenar 13 Adult, and, to a lesser extent Tygacil, Zavicefta, Pristiq, Refacto AF and Bosulif.

Also included in this category are the post-approval milestone payments made under her alliance agreements for certain biopharmaceutical products.

B. <u>Brands</u>

Brands represent the amortized or unamortized cost associated with tradenames and know-how, as the products themselves do not receive patent protection.

The more significant components of indefinite-lived brands are the following (in order of significance): Xanax, Medrol and Depo-Medrol.

The more significant components of finite-lived brands are the following (in order of significance): Depo-Provera and Zavedos.

C. IPR&D

IPR&D assets represent R&D assets that have not yet received regulatory approval in a major market. The significant components of IPR&D at December 31, 2019 include IPR&D assets acquired in connection with the Array acquisition and the program for the oral PARP inhibitor for the treatment of patients with germline BRCA-mutated advanced breast cancer acquired as part of the Medivation acquisition.

IPR&D assets are required to be classified as indefinite-lived assets until the successful completion or the abandonment of the associated R&D effort. Accordingly, during the development period after the date of acquisition, these assets will not be amortized until approval is obtained in a major market, typically either the U.S. or the EU, or in a series of other countries, subject to certain specified conditions and management judgment. At that time, they will determine the useful life of the asset, reclassify the asset out of IPR&D and begin amortization. If the associated R&D effort is abandoned, the related IPR&D assets will likely be written-off, and THEY will record an impairment charge.

For IPR&D assets, the risk of failure is significant and there can be no certainty that these assets ultimately will yield successful products. The nature of the biopharmaceutical business is high-risk and, as such, they expect that many of these IPR&D assets will become impaired and be written off at some time in the future.

D. Licensing Agreements

Licensing agreements for developed technology and licensing agreements for technology in development primarily relate to out-licensing arrangements acquired from third parties, including the Array acquisition. These intangible assets represent the amortized or unamortized cost associated with the license, where Pfizer has acquired the right to future

royalties and/or milestones upon development or commercialization by the licensing partner. A significant component of the licensing arrangements at December 31, 2019 are for out-licensing arrangements with a number of partners for oncology technology in varying stages of development that have not yet received regulatory approval in a major market. Accordingly, during the development period after the date of acquisition, each of these assets is classified as indefinite-lived intangible assets and will not be amortized until approval is obtained in a major market. At that time, they will determine the useful life of the asset, reclassify the respective licensing arrangement asset to finite-lived intangible asset and begin amortization. If the development effort is abandoned, the related licensing asset will likely be written-off, and they will record an impairment charge.

E. Amortization

The weighted-average life for each of our total finite-lived intangible assets and the largest component, developed technology rights, is approximately 9 years.

Total amortization expense for finite-lived intangible assets was $4.7 billion in 2019, $5.0 billion in 2018 and $4.8 billion in 2017.

4.2. results for intangible assets and economic benefit's

The most important result that was reached is that intangible assets have a direct role in creating value in Pfizer, and by removing them from the financial statements, the company's performance will decline and cannot be dispensed with in the evaluation of the company.

4. CONCLUSION

The problems of measurement and accounting disclosure of intangible assets remain the subject of widespread controversy, and there is continuous research by accounting organizations and bodies in the hope of finding

solutions to these problems. Our study came to reveal the importance of intangible assets in the company's financial statements and their impact on some of the financial indicators that were calculated. It has been confirmed that it has an important role in improving the financial position of the company, and creating value on the other.

In conclusion, we can consider this study as a scientific addition in the field of accounting and an extension of previous studies.

5. Bibliography List:

- L. Black, E., & L. Zyla, M. (2018). ACCOUNTING FOR GOODWILL AND OTHER INTANGIBLE ASSETS. John Wiley & Sons, Inc., Hoboken, New Jersey: Canada.
- R. Niven, P. (2002). BALANCED SCORECARD STEP-BY-STEP -Maximizing Performance and Maintaining Results-. New York: John Wiley & Sons, Inc.
- Accounting Tools. (2021, 08 18). Retrieved from ACCOUNTING CPE COURSES & BOOKS: https://www.accountingtools.com/articles/what-are-intangible-assets.html
- Form 10-K, A. (2017-2021). ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE. Washington, D.C. 20549: UNITED STATES SECURITIES AND EXCHANGE COMMISSION.
- Gulshat, G., Ekaterina, K., & Olga, L. (2019). Modification of Calculated Intangible Value Model to Evaluate the Use of Companies' Intellectual Capital. WSEAS TRANSACTIONS on BUSINESS and ECONOMICS, pp. 500-507.
- Macrotrends, . (2021). Pfizer Goodwill and Intangible Assets 2010-2022 | PFE. Retrieved from macrotrends.net: https://www.macrotrends.net/stocks/charts/PFE/pfizer/goodwill-intangible-assets-
- Pfizer inc. (2021). ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE. UNITED STATES SECURITIES AND EXCHANGE COMMISSION.