
Lilly
Q1
2019 Business Results

AGENDA

INTRODUCTION AND KEY RECENT EVENTS

Dave Ricks, Chairman and Chief Executive Officer

Q1 FINANCIAL RESULTS AND FINANCIAL GUIDANCE

Josh Smiley, Senior Vice President, Finance and Chief Financial Officer

PIPELINE AND KEY FUTURE EVENTS

Dan Skovronsky, M.D., Ph.D., Chief Scientific Officer

CLOSING REMARKS

Dave Ricks, Chairman and Chief Executive Officer

QUESTION AND ANSWER SESSION

SAFE HARBOR PROVISION

This presentation contains forward-looking statements that are based on management's current expectations, but actual results may differ materially due to various factors. The company's results may be affected by factors including, but not limited to, the risks and uncertainties in pharmaceutical research and development; competitive developments; regulatory actions; litigation and investigations; business development transactions; economic conditions; and changes in laws and regulations, including health care reform.

For additional information about the factors that affect the company's business, please see the company's latest Forms 10-K and 10-Q filed with the Securities and Exchange Commission.

The company undertakes no duty to update forward-looking statements

STRATEGIC DELIVERABLES

PROGRESS SINCE THE LAST EARNINGS CALL

Grow Revenue

- 5% revenue growth in Q1 in constant currency
- Revenue growth driven by:
  - 7% volume growth
  - Key growth drivers accounted for 39% of total revenue

Improve Productivity

- Excluding FX on international inventories sold, non-GAAP:
  - Gross margin as a % of revenue was 80.2%
  - Operating income as a % of revenue was 26.2%

Create Long-Term Value

- Completed acquisition of Loxo Oncology
- Completed Elanco separation which generated ~$4B in cash and ~$8B in share reductions
- Distributed $0.6B via dividends and $3.5B via share repurchases

Speed Life-Changing Medicines

- Submission of REWIND, the dulaglutide CV outcomes study, in the U.S. and Europe
- Submission of ultra-rapid lispro in Europe and Japan
- Phase 3 data for tanezumab and ixekizumab nr-axSpA

KEY EVENTS SINCE THE LAST EARNINGS CALL

COMMERCIAL

- Announced the introduction of **Insulin Lispro,** a lower-priced version of Humalog®, in the United States, providing people with diabetes an option that will have a list price 50 percent lower than the current Humalog list price.

REGULATORY

- Submitted the **dulaglutide** REWIND study for a CV outcomes label to the U.S. Food and Drug Administration (FDA) and in Europe;
- The FDA granted Priority Review for the sBLA for **Emgality®** (galcanezumab) for the preventive treatment of episodic cluster headache;
- Submitted **ultra-rapid insulin lispro** for the treatment of type 1 and type 2 diabetes in Europe and Japan;
- Submitted a **connected prefilled pen** to the U.S. FDA;
- Along with Boehringer Ingelheim:
  - Submitted the fixed dose combination of **empagliflozin + linagliptin + metformin XR** for the treatment of type 2 diabetes to the U.S. FDA;
  - For technical reasons, the U.S. FDA refused-to-file the sNDA for **empagliflozin** for a new indication as an adjunct to insulin therapy in adults with type 1 diabetes. Along with the FDA, discussions continue and we anticipate re-submission later this year;

REGULATORY (CONT.)

- Received notification that the U.S. FDA extended the review time by up to three months for **nasal glucagon** to allow for review of information requested late in the review cycle, with the submission of the additional information constituting a Major Amendment; and
- Worked with global regulatory agencies to facilitate the withdrawal from the market of **Lartruvo®** (olaratumab) for the treatment of advanced soft tissue sarcoma. Lilly is working to ensure current patients have access to Lartruvo with limited interruption after it is withdrawn from the market.

CLINICAL

- Along with Pfizer, announced top-line results from a Phase 3 study evaluating **tanezumab** 5 mg or 10 mg in patients with moderate-to-severe chronic low back pain (CLBP), where the 10 mg treatment arm met the primary endpoint at 16 weeks and the 5 mg treatment arm demonstrated a numerical improvement in pain, but did not reach statistical significance compared to placebo;
- Along with Boehringer Ingelheim, announced the CAROLINA® cardiovascular outcome trial of **Tradjenta®** met its primary endpoint of non-inferiority compared with glimepiride;
- Announced results of the Phase 3 RELAY study which showed that **Cyramza®** met the primary endpoint, significantly improving progression-free survival in first-line treatment of patients with metastatic EGFR-mutated non-small cell lung cancer;

KEY EVENTS SINCE THE LAST EARNINGS CALL (CONT.)

CLINICAL (CONT.)

- Along with Pfizer, announced top-line results from a Phase 3 study evaluating **tanezumab** 2.5mg or 5mg in patients with moderate-to-severe osteoarthritis of the hip or knee, where the 5mg met two of the three co-primary endpoints compared to NSAIDs, demonstrating a statistically significant improvement in pain and physical function, while the 2.5mg did not reach statistical significance for the co-primary endpoints compared to NSAIDs; and
- Announced top-line results from a Phase 3 study evaluating **ixekizumab** in patients with non-radiographic axial spondyloarthritis who are biologic disease-modifying anti-rheumatic drug-naiive, where ixekizumab met the primary and all major secondary endpoints.

BUSINESS DEVELOPMENT & OTHER

- Announced the successful completion of the acquisition of **Loxo Oncology, Inc.**, a biopharmaceutical company focused on the development and commercialization of highly selective medicines for patients with genomically defined cancers, for $235.00 per share in cash, or approximately $8.0 billion;
- Initiated and completed an exchange offer to divest the remaining 80.2% ownership interest in **Elanco Animal Health**, retiring 65 million shares of Lilly common stock worth approximately $8.2 billion;

BUSINESS DEVELOPMENT & OTHER (CONT.)

- Entered into a global licensing and research collaboration with **ImmuNext, Inc.** focused on the study of a preclinical novel target that could lead to new medicines for autoimmune diseases by regulating immune cell metabolism;
- Announced a global licensing and research collaboration with **Avidity Biosciences, Inc.** focused on the discovery, development and commercialization of potential new medicines in immunology and other select indications;
- Announced an agreement to sell the rights in China for two legacy Lilly antibiotic medicines, **Ceclor®** and **Vancocin®**, as well as a manufacturing facility in Suzhou, China that produces Ceclor, to **Eddingpharm**, a China-based specialty pharmaceutical company;
- Announced Incyte has elected to no longer co-fund development of **baricitinib**; Lilly will solely fund all development costs and pay a lower royalty to Incyte on future sales;
- Announced the U.S. Court of Appeals for the Federal Circuit ruled in Lilly's favor regarding patentability of the vitamin regimen for **Alimta®**;
- Distributed over $0.6 billion to shareholders via the dividend; and
- Returned $3.5 billion to shareholders via the previously announced accelerated share repurchase program.

COMPARISON MEASURES

"REPORTED" RESULTS

Include all financial results as reported in accordance with Generally Accepted Accounting Principles (GAAP)

"NON-GAAP" MEASURES

Start with **"REPORTED" RESULTS**

Reflect adjustments for items such as:

- Discontinued operations of Elanco Animal Health
- Acquired in-process R&D charges and other income and expenses from business development activities
- Amortization of intangible assets
- Asset impairment, restructuring and other special charges
- Charges related to the suspension of promotion of Lartruvo

2019 INCOME STATEMENT – REPORTED

Millions; except per share data

	Q1 2019	Change
TOTAL REVENUE	$5,092	3%
GROSS MARGIN	77.6%	1.1pp
TOTAL OPERATING EXPENSE*	3,308	32%
OPERATING INCOME	645	(50)%
OTHER INCOME (EXPENSE)	86	24%
EFFECTIVE TAX RATE	23.3%	8.8pp
NET INCOME - CONTINUING OPERATIONS	$561	(51)%
EPS - CONTINUING OPERATIONS	**$0.57**	**(42)%**
EPS - DISCONTINUED OPERATIONS	**$3.74**	
EPS - TOTAL	**$4.31**	**NM**

* Includes research and development expense, marketing, selling and administrative expense, acquired in-process research and development charges, and asset impairment, restructuring and other special charges.
NM – not meaningful

RECONCILIATION OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION; CERTAIN LINE ITEMS (UNAUDITED)

Millions; except per share data

	Q1 2019			
	GAAP Reported	Adjustments	Non-GAAP Adjusted	Non-GAAP Adjusted Change
TOTAL REVENUE	$5,092	-	**$5,092**	3%
GROSS MARGIN	77.6%	2.6%	**80.2%**	1.6pp
TOTAL OPERATING EXPENSE	3,308	(561)	**2,748**	12%
OPERATING INCOME	645	689	**1,334**	(8)%
OTHER INCOME (EXPENSE)	86	-	**86**	24%
EFFECTIVE TAX RATE	23.3%	(10.4)%	**12.9%**	(2.6pp)
NET INCOME - CONTINUING OPERATIONS	$561	$676	**$1,237**	(4)%
EPS - CONTINUING OPERATIONS	$0.57	$0.76	**$1.33**	2%
EPS - DISCONTINUED OPERATIONS	$3.74	(3.74)	**$0.00**	NM
EPS - TOTAL	$4.31	(2.98)	**$1.33**	2%

Note: Numbers may not add due to rounding; see slide 23 for a complete list of significant adjustments.

RECONCILIATION OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION; CERTAIN LINE ITEMS (UNAUDITED)

	Q1 2019	Q1 2018	Change
EPS (REPORTED)	**$4.31**	**$1.16**	**NM**
DISCONTINUED OPERATIONS	(3.74)	(0.05)	
REDUCED SHARES OUTSTANDING	0.03	0.08	
AMORTIZATION OF INTANGIBLE ASSETS	0.04	0.08	
ACQUIRED IN-PROCESS RESEARCH AND DEVELOPMENT	0.12	0.00	
LARTRUVO CHARGES	0.13	0.00	
ASSET IMPAIRMENT, RESTRUCTURING, AND OTHER SPECIAL CHARGES	0.44	0.04	
EPS (NON-GAAP)	**$1.33**	**$1.31**	**2%**

Note: Numbers may not add due to rounding; see slide 23 for more details on these significant adjustments.

EFFECT OF PRICE/RATE/VOLUME ON REVENUE

Millions

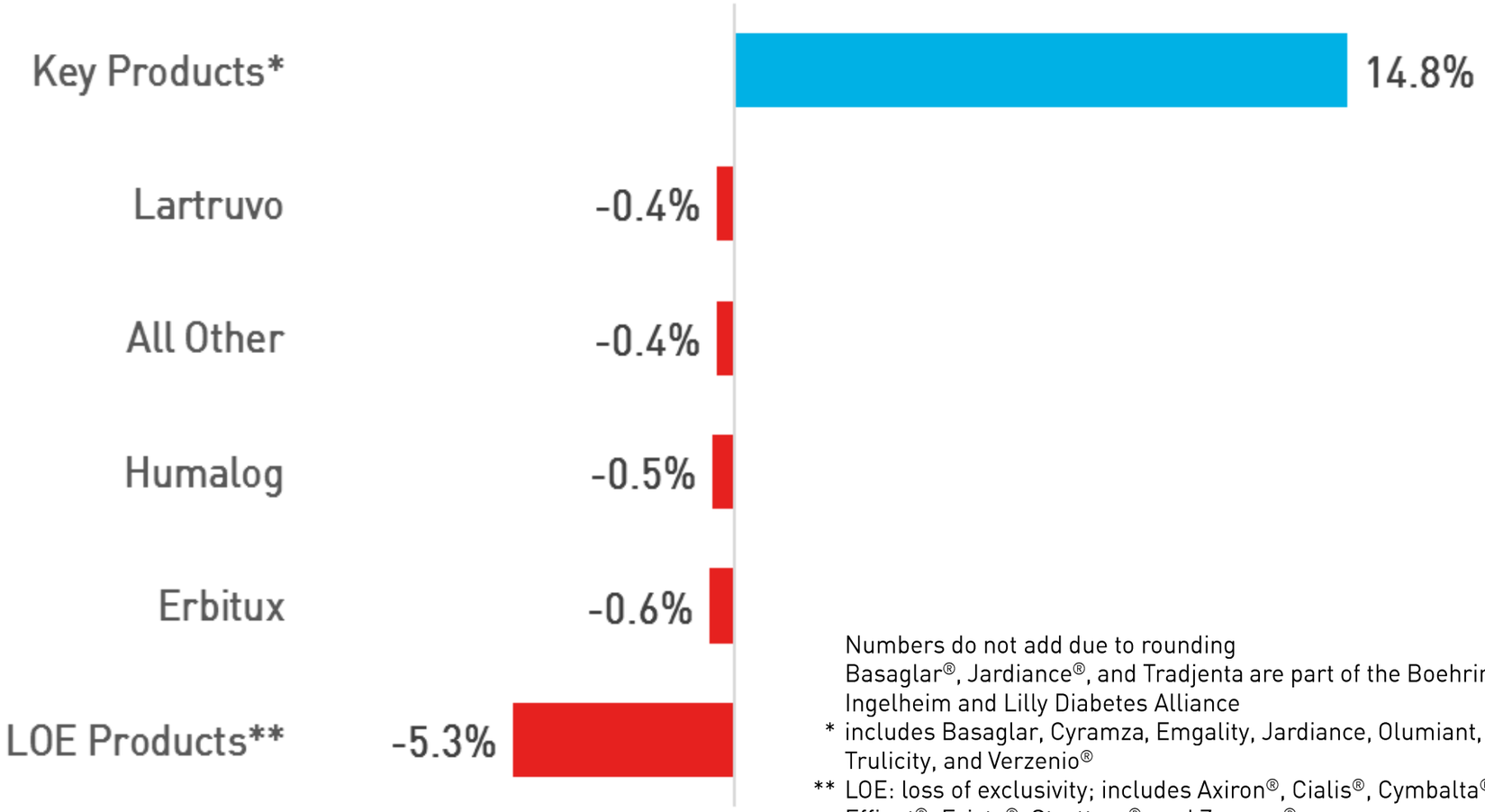
	Q1 2019					
	Amount	Price	FX Rate	Volume	Total	CER
U.S.	$2,891	(3)%	—%	6%	3%	3%
EUROPE	900	(2)%	(7)%	9%	1%	7%
JAPAN	544	(6)%	(0)%	7%	1%	2%
REST OF WORLD	757	(0)%	(7)%	10%	3%	9%
TOTAL REVENUE	$5,092	(3)%	(2)%	7%	3%	5%

Note: Numbers may not add due to rounding.

CER = price change + volume change

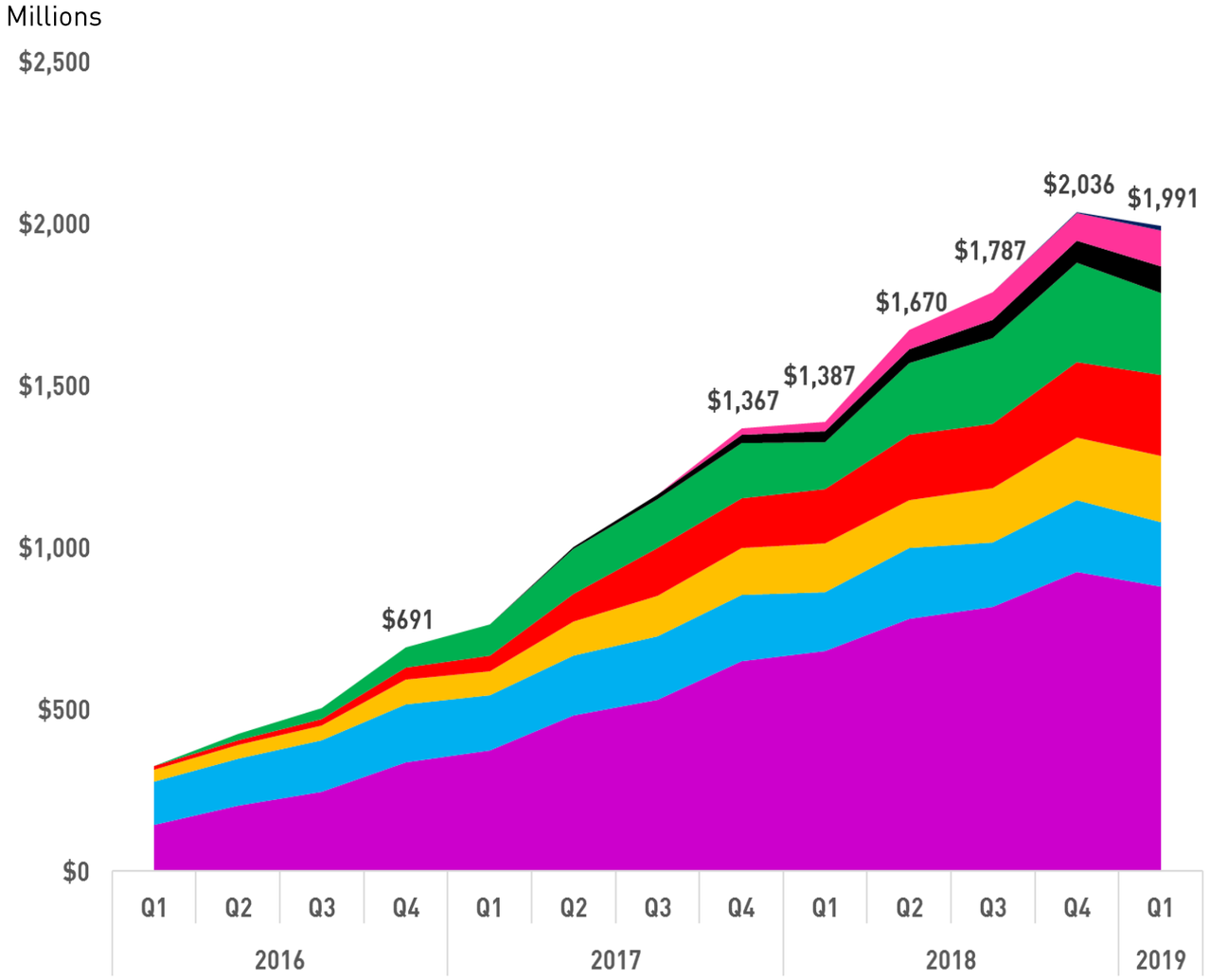
KEY PRODUCTS DRIVING WW VOLUME GROWTH

Contribution to 7% Q1 WW Volume Growth



Numbers do not add due to rounding
Basaglar®, Jardiance®, and Tradjenta are part of the Boehringer Ingelheim and Lilly Diabetes Alliance
* includes Basaglar, Cyramza, Emgality, Jardiance, Olumiant, Taltz®, Trulicity, and Verzenio®
** LOE: loss of exclusivity; includes Axiron®, Cialis®, Cymbalta®, Effient®, Evista®, Strattera®, and Zyprexa®

UPDATE ON KEY GROWTH PRODUCTS



Note: Jardiance is sold by Boehringer Ingelheim; Lilly records as revenue its share of Jardiance gross margin. Jardiance and Basaglar are part of the Boehringer Ingelheim and Lilly Diabetes Alliance.

EMGALITY
- U.S. launch October 2018; Germany launch Q1 2019
- U.S. NBRx nearly 33% at the end of Q1 2019

VERZENIO
- Launched in 1L mBC Q1 2018 in U.S.; Q4 2018 Germany and Japan
- U.S. NBRx 18% SOM; Japan exit share at 24% of CDK in-market sales

OLUMIANT
- RA U.S. launch July 2018
- Significant driver of volume growth in Europe

TALTZ
- U.S. Derm SOM growth led all biologics (+4.2ppts TRx) vs. Q1 2018
- Total molecule TRx grew 85% vs. Q1 2018

BASAGLAR
- Continued U.S. TRx SOM gain to 20% in Q1 2019
- 2nd highest in U.S. NBRx SOM at over 24%

JARDIANCE
- Market leader in U.S. TRx (50% SOM) and NBRx (64% SOM)
- Market growth improving, TRx +9% and NTS +13% vs. Q1 2018

CYRAMZA
- Japan SOM market leader in 2L metastatic gastric cancer

TRULICITY
- U.S. TRx leader with over 45% SOM
- U.S. GLP-1 class continued significant TRx growth

EFFECT OF FOREIGN EXCHANGE ON Q1 2019 RESULTS

Year-on-Year Growth

	Q1 2019	
REPORTED	**With FX**	**w/o FX**
TOTAL REVENUE	3%	5%
COST OF SALES	(2)%	15%
GROSS MARGIN	4%	2%
OPERATING EXPENSE	32%	34%
OPERATING INCOME	(50)%	(52)%
EPS - TOTAL	NM	NM

NON-GAAP	**With FX**	**w/o FX**
TOTAL REVENUE	3%	5%
COST OF SALES	(5)%	13%
GROSS MARGIN	5%	3%
OPERATING EXPENSE	12%	14%
OPERATING INCOME	(8)%	(14)%
EPS - TOTAL	2%	(4)%

2019 GUIDANCE

	Prior Guidance*	Prior Pharma Only Expectations	Updated Guidance**	Comments
TOTAL REVENUE	$25.1 - $25.6 billion	$22.0 - $22.5 billion	$22.0 - $22.5 billion	
GROSS MARGIN % (GAAP)	approx 75.0%		approx 79.0%	Updated GAAP guidance for pharma only
GROSS MARGIN % (NON-GAAP)	approx 76.5%	approx. 80.0%	approx 80.0%	
MKTG, SELLING & ADMIN.	$6.4 - $6.7 billion	$5.7 - $6.0 billion	$5.7 - $6.0 billion	
RESEARCH & DEVELOPMENT	$5.8 - $6.0 billion	$5.5 - $5.7 billion	$5.5 - $5.7 billion	
OTHER INCOME/(EXPENSE)	$(325) - (175) million	$(250) - $(100) million	$(250) - $(100) million	
TAX RATE (GAAP)	approx 16.5%		15.0% - 16.0%	Updated GAAP guidance for pharma only
TAX RATE (NON-GAAP)	approx 15.0%	approx. 14.5%	14.0% - 15.0%	
EARNINGS PER SHARE (GAAP)	$4.57 - $4.67		$8.57 - $8.67	Includes Elanco Animal Health discontinued operations and $3.7 billion gain on disposition
EARNINGS PER SHARE (NON-GAAP)	$5.55 - $5.65		$5.60 - $5.70	Updated guidance for pharma only and share count after completion of the Elanco Animal Health exchange offer
NOTE: OPERATING INCOME %	approx 27.5%	approx. 28.0%	approx. 28.0%	

*Assumed 19.8% Elanco minority interest for entirety of 2019

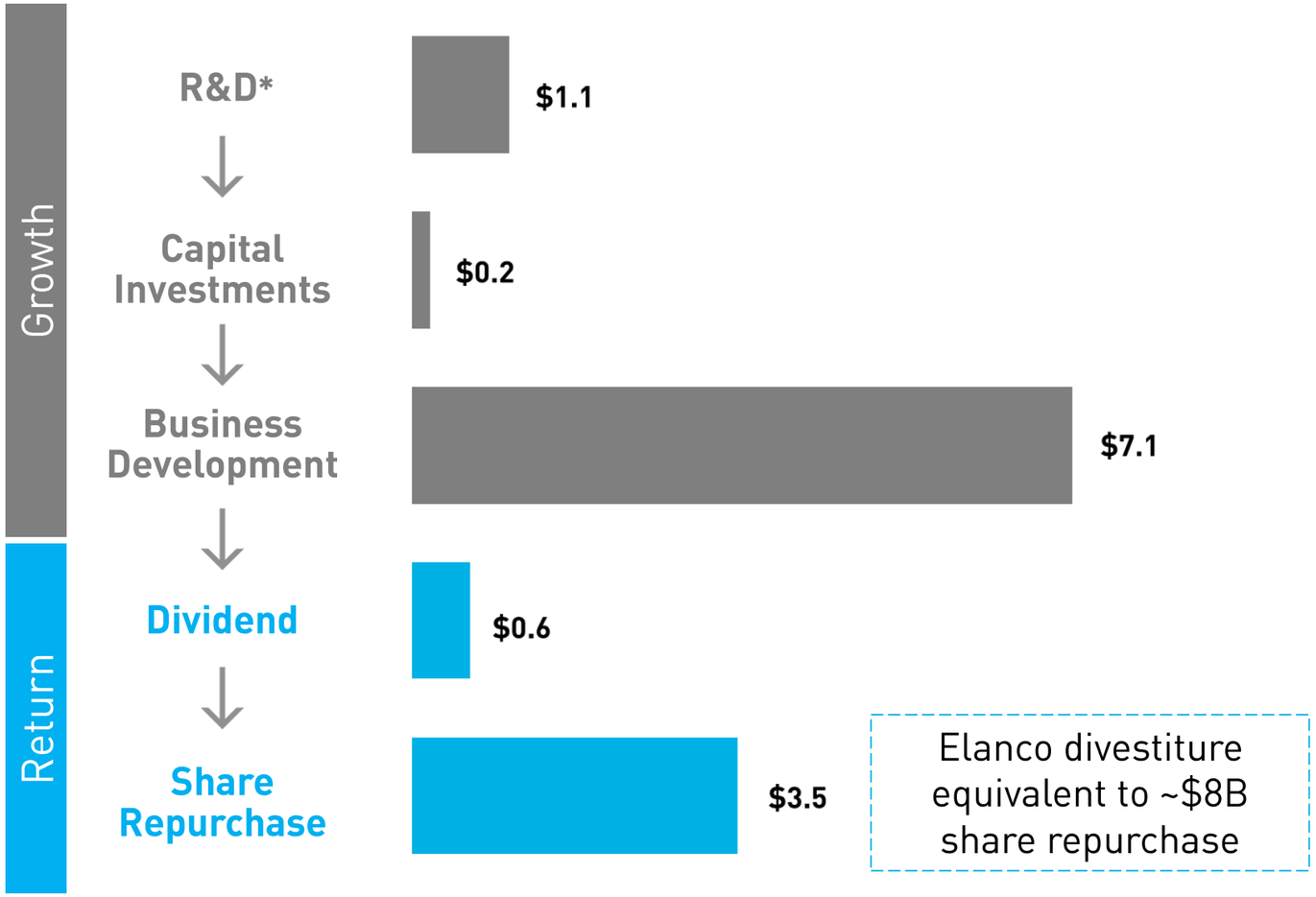
**Assumes GAAP shares outstanding 938 million, non-GAAP shares outstanding 924 million

Updated FX assumptions of 1.12 (Euro), 111 (Yen) and 6.73 (Renminbi)

CAPITAL ALLOCATION

Billions

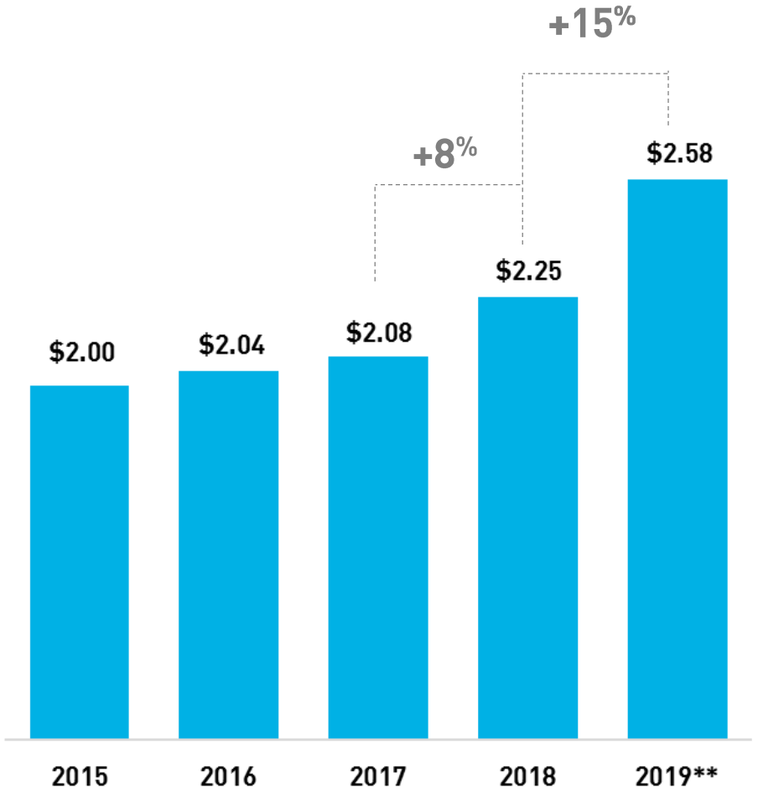
Capital Allocation in Q1



Elanco divestiture equivalent to ~$8B share repurchase

*After-tax R&D

Dividend per Share



**Expected dividend per share

LILLY SELECT NME AND NILEX PIPELINE

APRIL 24, 2019

LEGEND

- NME
- NILEX
- * *Commercial Collaboration*

MOVEMENT SINCE February 5, 2019

- ACHIEVED MILESTONE
- REMOVAL

PHASE 1	PHASE 2	PHASE 3	REG REVIEW	APPROVED
GGG TRI-AGONIST Diabetes				
O-GLCNACASE INH Alzheimer's	NOT DISCLOSED Cancer			
BTK INHIBITOR Cancer	GDF 15 AGONIST Diabetes			
PD-1 MAB AGONIST Immunology	CD200R MAB AG Immunology			
PACAP38 MAB Pain	PD-L1/TIM-3 Cancer			
BTLA AGONIST MAB Immunology	BAS INS ACYLATED Diabetes			
ERK INHIBITOR Cancer	IDO1 INHIBITOR Cancer			
AUR A KIN INH Cancer	IL-2 CONJUGATE Immunology			
BAFF/IL-17 Immunology	TIM-3 MAB Cancer			
IL-23/CGRP Immunology	OXYNTOMODULIN Diabetes			
DACRA-089 Diabetes	CXCR1/2L MAB Immunology			
	OLARATUMAB Pancreatic Cancer	EMPAGLIFLOZIN* Type 1 Diabetes	DULAGLUTIDE REWIND	
	BARICITINIB Alopecia Areata	PEGILODECAKIN NSCLC	EMPAGLIFLOZIN* Heart Failure	DULAGLUTIDE 3.0 / 4.5 mg
	ABEMACICLIB HR+/HER2+MBC	ABEMACICLIB Prostate Cancer	RAMUCIRUMAB 1st Line NSCLC	EMPAGLIFLOZIN* Chronic Kidney Disease
	MIRIKIZUMAB Crohn's Disease	RET INHIBITOR Cancer	TANEZUMAB* Chronic Lower Back Pain	BARICITINIB Systemic Lupus Erythematosus
	IL-33 MAB Immunology	AUTOMATED INSULIN DELIVERY SYS Diabetes	BARICITINIB Atopic Dermatitis	TANEZUMAB* Cancer Pain
	BASAL INSULIN-FC Diabetes	MERESTINIB Cancer	MIRIKIZUMAB Ulcerative Colitis	IXEKIZUMAB Non-Radiographic AxSpA
	TGFβ R1 KI Cancer	D1 PAM Dementia	PEGILODECAKIN Pancreatic Cancer	ABEMACICLIB Adjuvant Breast Cancer
	ZAGOTENEMAB (TAU MAB) Alzheimer's	DONANEMAB (N3PG Aβ MAB) Alzheimer's	MIRIKIZUMAB Psoriasis	TIRZEPATIDE Diabetes
	PREXASERTIB Cancer	PI3/MTOR KIN INH Cancer	SOLANEZUMAB Preclinical AD	FLORTAUCIPIR Tau Imaging, *diagnostic*
				TANEZUMAB* Osteoarthritis Pain
			CONNECTED CARE PREFILLED INSULIN PEN Diabetes	
			EMPA + LINA + MET XR* Type 2 Diabetes	
			GALCANEZUMAB Cluster Headache	
			IXEKIZUMAB Radiographic AxSpA	
			RAMUCIRUMAB 2nd Line Hepatic Cancer	
			ULTRA-RAPID LISPRO Diabetes	
			LASMIDITAN Migraine	
			NASAL GLUCAGON Hypoglycemia	

R&D UPDATE: LATE PHASE PROGRAMS

IMMUNOLOGY

Mirikizumab

Phase 3 Data:
- Psoriasis (2020)
- Ulcerative Colitis (2021)

Phase 2 Data:
- Crohn's (2019 DDW)

ONCOLOGY

Pegilodecakin

Phase 3 Data:
- SEQUOIA (Pancreatic – 2020)

Phase 2 Data:
- CYPRESS-1 & 2 (NSCLC – 2H 2019)

RET-inhibitor

- Registration data & regulatory submission (2H 2019)

DIABETES

Tirzepatide

Phase 3:
- Five SURPASS studies for Type 2 Diabetes initiated by end of 2019 (data 2021)
- Obesity (initiated 2H 2019)

Phase 2 Data:
- Type 2 Diabetes escalation (2019 ADA)

Phase 2 Initiation:
- NASH (2H 2019)

POTENTIAL KEY EVENTS 2019

New since last update

Phase 3 Initiations

- **Empagliflozin** for chronic kidney disease[1]
- **Tirzepatide** for obesity
- **Baricitinib** for alopecia areata
- **Mirikizumab** for Crohn's disease
- **Baricitinib** for psoriatic arthritis

Phase 3 Data Top-Line Disclosures

- **Dulaglutide** alternate doses for type 2 diabetes
- **Empagliflozin** CHF exercise ability studies[1]
- **Linagliptin** CAROLINA CV outcomes study[1]
- **Baricitinib** for atopic dermatitis
- **Ixekizumab** non-radiographic axial spondyloarthritis
- **Ixekizumab** psoriasis head-to-head vs. guselkumab
- **Tanezumab** for osteoarthritis pain[2]
- **Tanezumab** for chronic low back pain[2]
- **Tanezumab** for osteoarthritis pain long-term safety study[2]
- **Olaratumab** for soft tissue sarcoma (OS readout)
- **RET-Inhibitor** for NSCLC and thyroid cancer (registrational Phase 2)
- **Ramucirumab** for 1L EGFR NSCLC cancer (PFS readout)

Medical Meeting Presentations

- **Dulaglutide** REWIND CV outcomes study
- **Ultra rapid lispro** for type 1 and type 2 diabetes

Regulatory Submissions

- **Connected Pen** for type 1 and type 2 diabetes (US)
- **Dulaglutide** REWIND CV outcomes study (US/EU)
- **Empagliflozin** for type 1 diabetes[1] (US)
- **Ultra rapid lispro** for type 1 and type 2 diabetes (US/EU/J)
- **Galcanezumab** for episodic cluster headache (EU)
- **Ixekizumab** for radiographic axial spondyloarthritis (EU/J)
- **RET-Inhibitor** for NSCLC and thyroid cancer (US)
- **Empagliflozin + linagliptin + metformin XR** for type 2 diabetes (US)[1]

Regulatory Actions

- **Nasal glucagon** for hypoglycemia (US/EU)
- **Lasmiditan** for acute migraine (US)
- **Galcanezumab** for episodic cluster headache (US)
- **Ixekizumab** for radiographic axial spondyloarthritis (US)
- **Ramucirumab** for 2L high AFP hepatocellular cancer (US/EU/J)

Other

Rulings in ongoing **Alimta** patent litigation

- US IPR appeal (CAFC)
- US alternative salt forms appeal (CAFC)

- Full separation of **Elanco Animal Health**
- Closing of **Loxo Oncology** acquisition

[1] in collaboration with Boehringer Ingelheim
[2] in collaboration with Pfizer

SUMMARY

- Q1 2019 volume-driven **revenue growth** of 5% in constant currency
- Progress on our **innovation-based strategy**, including the acquisition of Loxo Oncology, as well as, several regulatory submissions and top-line data disclosures
- Completed the Elanco Animal Health exchange offer
- Deployed over $4 billion to shareholders via dividend and stock repurchases

Grow Revenue

Minimum average annual revenue growth of 7% in constant currency from 2015 through 2020 (pharma only)

Improve Productivity

Excluding FX on int'l inventories sold, minimum operating margin % of revenue of 31% in 2020

Speed Life-Changing Medicines

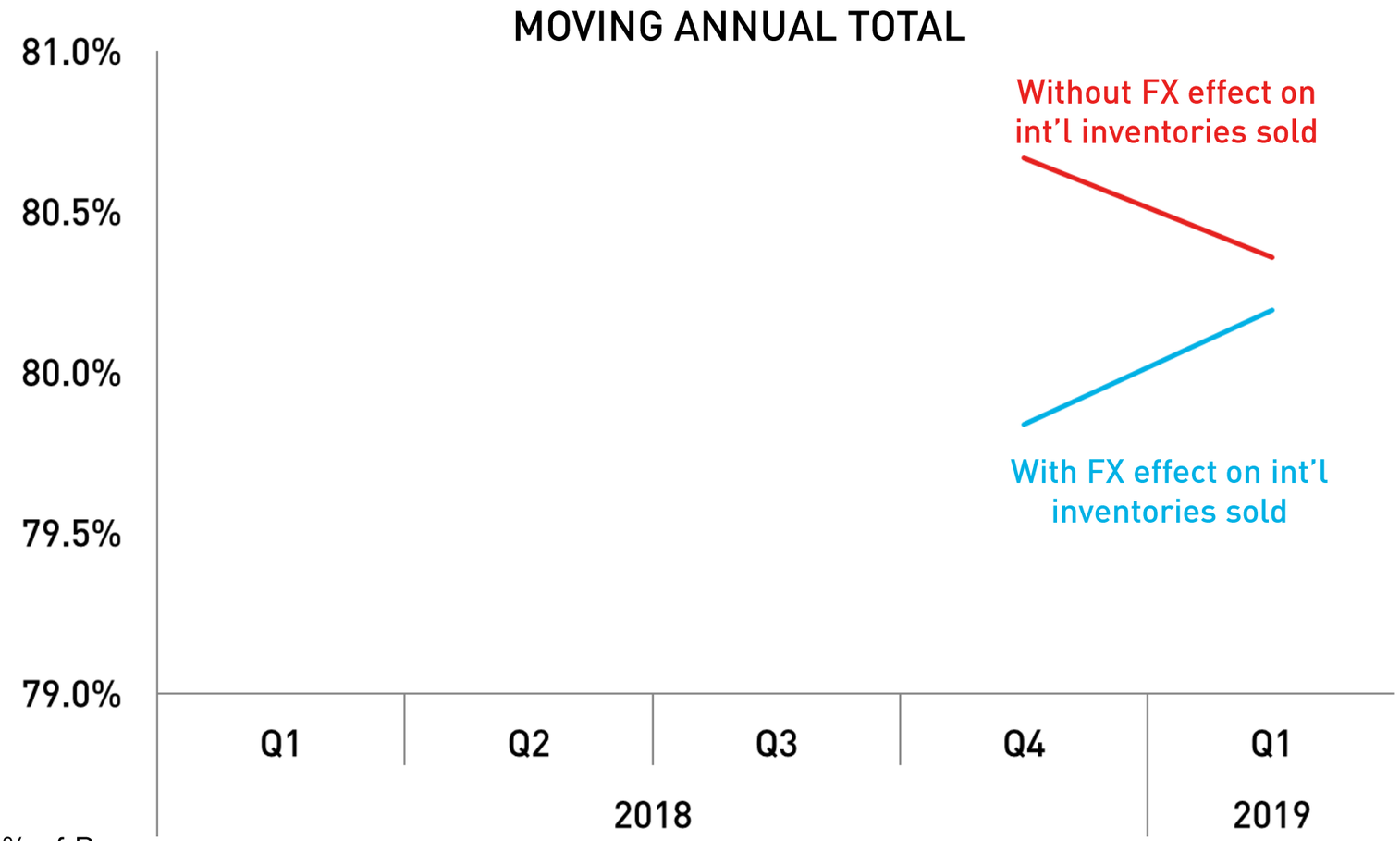
- Potential to launch 20+ new molecules in 10 years (2014-2023)
- On average, could launch 2+ new indications or line extensions per year

Create Long-Term Value

- Fund existing marketed and pipeline products
- Bolster growth prospects via business development
- Annual dividend increases

Supplementary Slides

NON-GAAP GROSS MARGIN % OF REVENUE



Individual quarter GM % of Revenue:					
with FX effect on int'l inv sold	78.6%	79.8%	80.2%	80.6%	80.2%
w/o FX effect on int'l inv sold	81.5%	80.9%	80.3%	80.1%	80.2%

Note: The lines in the graph are moving annual totals (i.e. trailing 4 quarters) while the two rows of numbers are from specific quarters.
* 2018 has been reclassified to reflect divestiture of Elanco Animal Health in 2019.

Q1 2019 INCOME STATEMENT NOTES

Q1 2019 NON-GAAP INFORMATION HAS BEEN ADJUSTED TO ELIMINATE:

- discontinued operations of Elanco Animal Health business, substantially all the gain on the disposition, totaling a reduction of $3.74 per share (after-tax);
- assumption that the disposition of Elanco occurred at the beginning of the year and therefore include the benefit from the reduction in shares of common stock outstanding, totaling $0.03 per share (after-tax);
- amortization of intangible assets primarily associated with costs of marketed products acquired or licensed from third parties totaling $43.6 million (pretax), or $0.04 per share (after-tax);
- acquired in-process R&D charges totaling $136.9 million (pretax), or $0.12 per share (after-tax), related to business development activity other than a business combination, related to AC Immune SA and ImmuNext, Inc.;
- Charges related to the suspension of promotion of Lartruvo, totaling $96.7 million (pretax), or $0.13 per share (after-tax); and
- Charges primarily associated with the accelerated vesting of Loxo employee equity awards as a result of the closing of the acquisition of Loxo Oncology, totaling $411.8 million (pretax), or $0.44 per share (after-tax).

Q1 2018 NON-GAAP INFORMATION HAS BEEN ADJUSTED TO ELIMINATE:

- amortization of intangible assets primarily associated with costs of marketed products acquired or licensed from third parties totaling $103.2 million (pretax), or $0.08 per share (after-tax);
- asset impairment, restructuring and other special charges of $56.8 million (pretax), or $0.04 per share (after-tax), primarily associated with the decision to end Posilac® (rbST) production at the Augusta, Georgia manufacturing site;
- assumption that the disposition of Elanco Animal Health occurred at the beginning of the year and therefore include the benefit from the reduction in shares of common stock outstanding , totaling $0.08 per share (after tax); and
- discontinued operations of Elanco Animal Health business, totaling a reduction of $0.05 per share (after-tax).

COMPARATIVE EPS SUMMARY 2018/2019

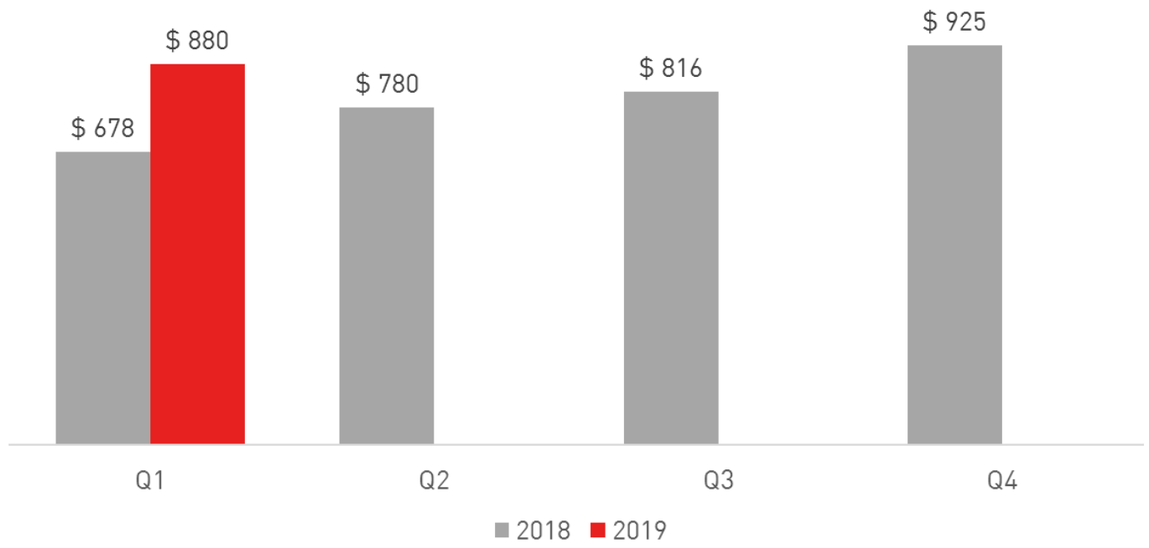
	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	4Q19	2019
Reported	1.16	(0.25)	1.12	1.10	3.13	4.31				
Non-GAAP	1.31	1.48	1.34	1.33	5.45	1.33				

Note: Numbers may not add due to rounding.
For a complete reconciliation to reported earnings, see slide 23 and our earnings press release dated April 30, 2019.

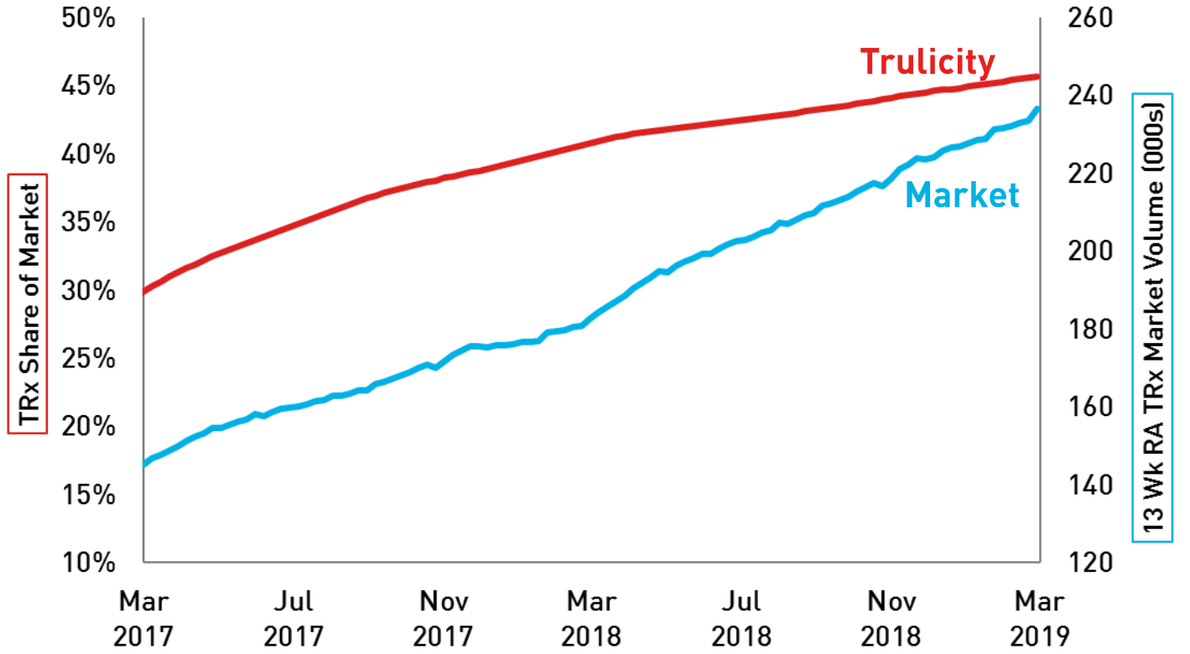
Q1 2019 TRULICITY SALES INCREASED 30%

Millions

U.S. sales increased 26%
International sales increased 43%



U.S. TRx SOM and Market Volume



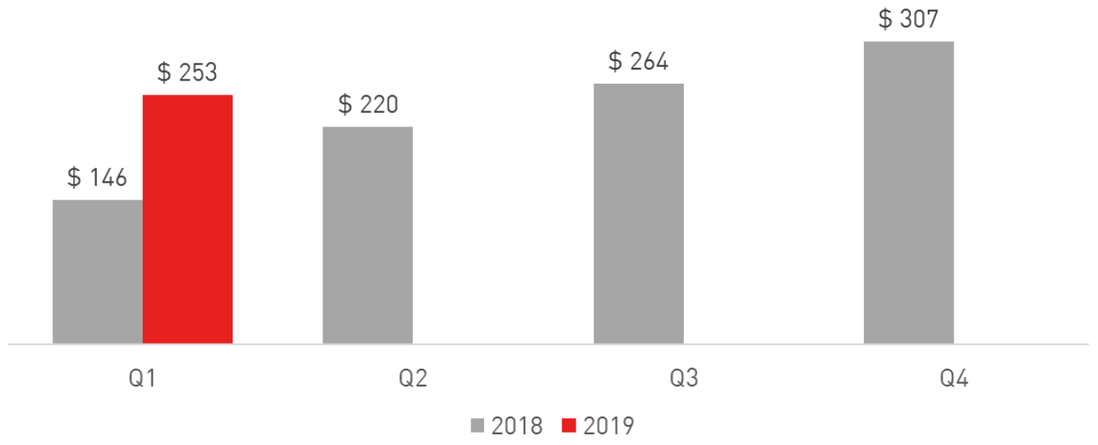
Note: Numbers may not add due to rounding.

Source: IQVIA NPA TRx 3MMA, weekly data March 29, 2019

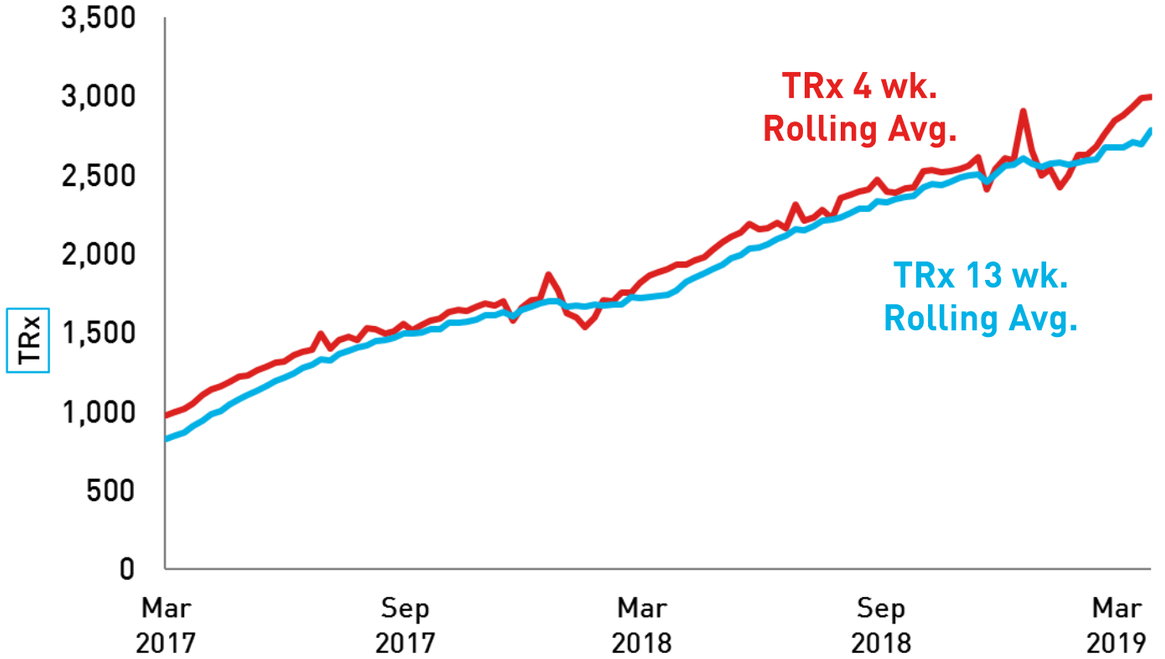
Q1 2019 TALTZ SALES INCREASED 72%

Millions

U.S. sales increased 63%
International sales were $72 million



U.S. TRx Volume



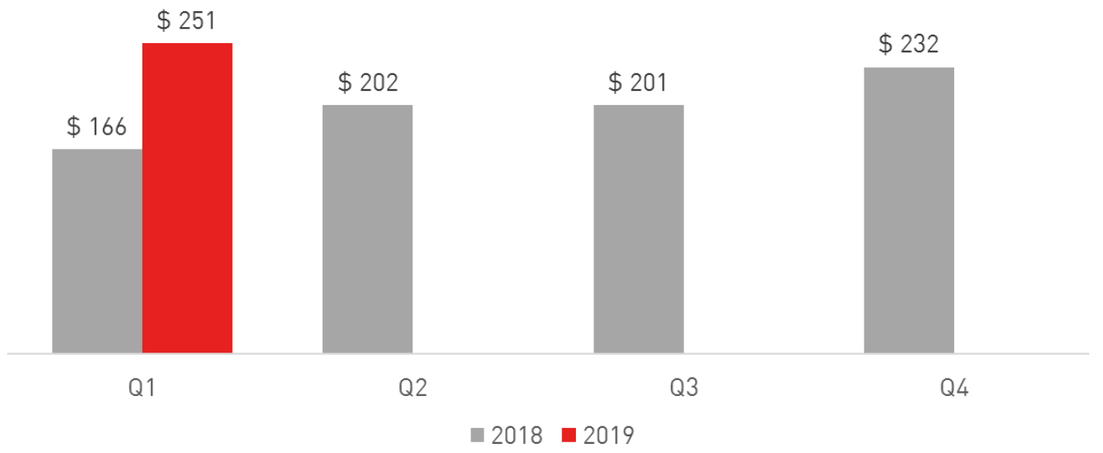
Note: Numbers may not add due to rounding.

Source: IQVIA NPA TRx 3MMA, weekly data March 29, 2019

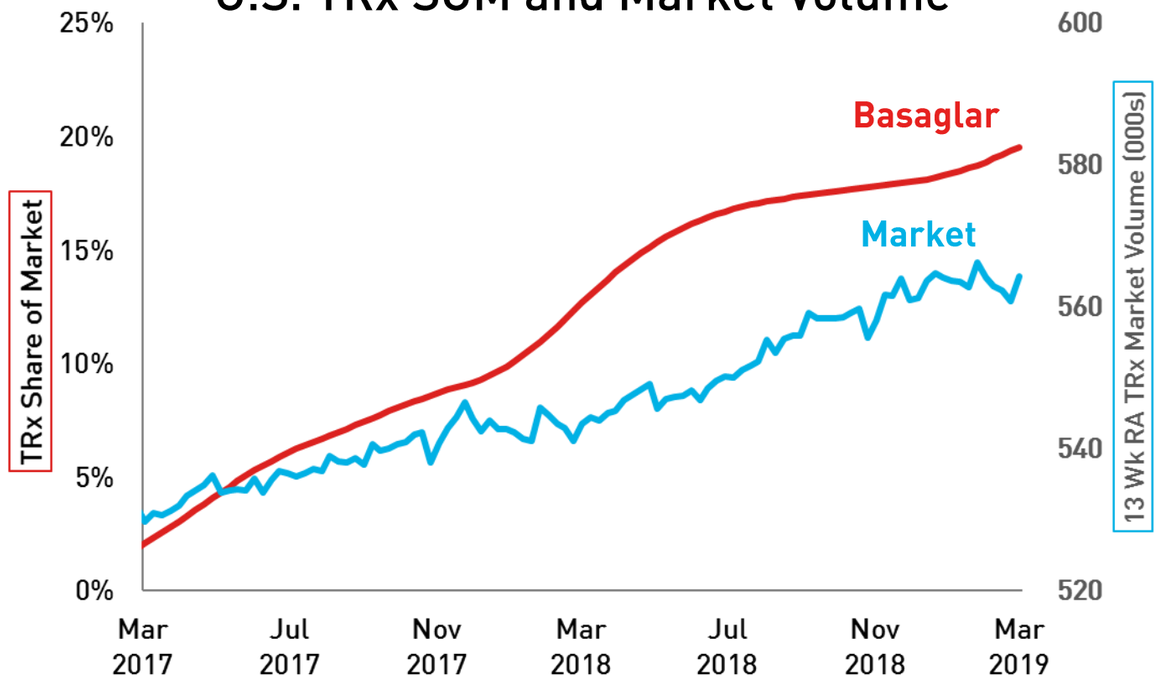
Q1 2019 BASAGLAR SALES INCREASED 51%

Millions

U.S. sales increased 56%
International sales increased 35%



U.S. TRx SOM and Market Volume



Note: Numbers may not add due to rounding.

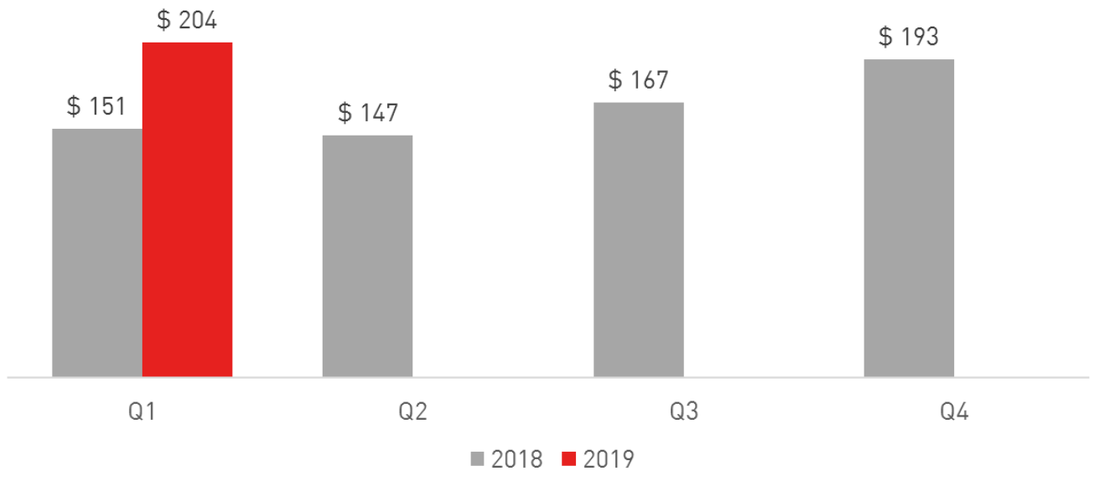
Source: IQVIA NPA TRx 3MMA, weekly data March 29, 2019

Note: Basaglar is part of the Boehringer Ingelheim and Lilly Diabetes Alliance

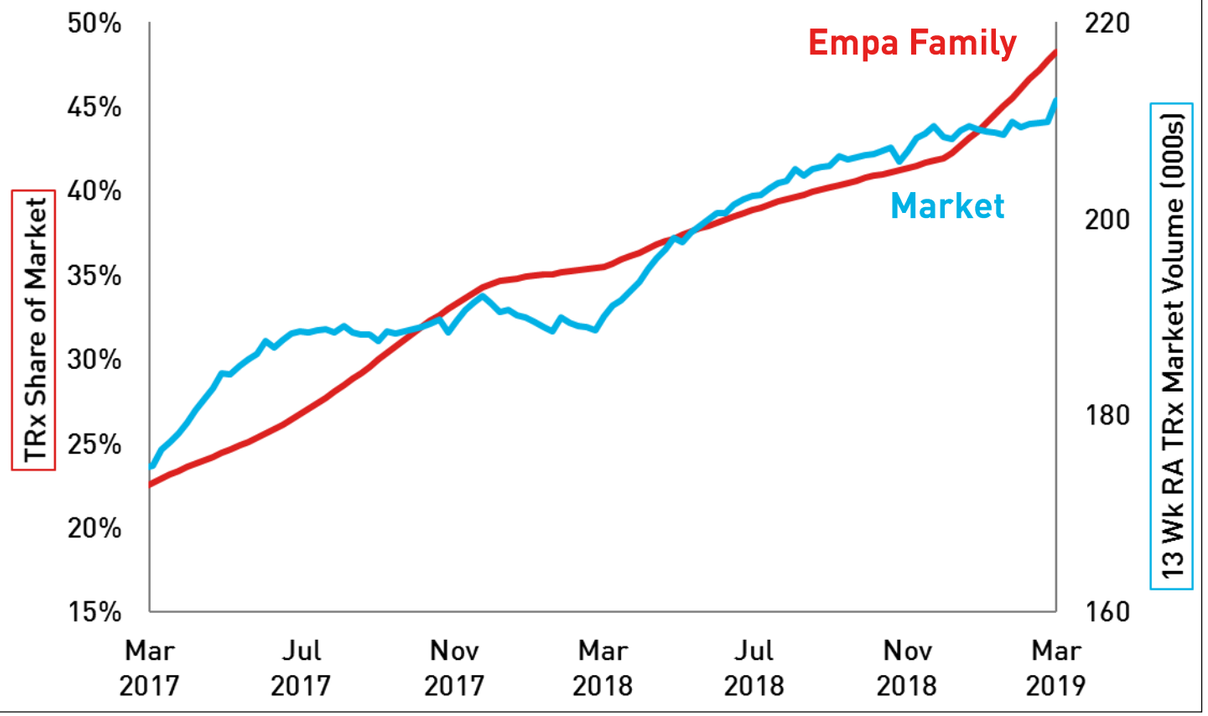
Q1 2019 JARDIANCE REVENUE INCREASED 35%

Millions

U.S. revenue increased 32%
International revenue increased 40%



U.S. TRx SOM and Market Volume



Note: Numbers may not add due to rounding.

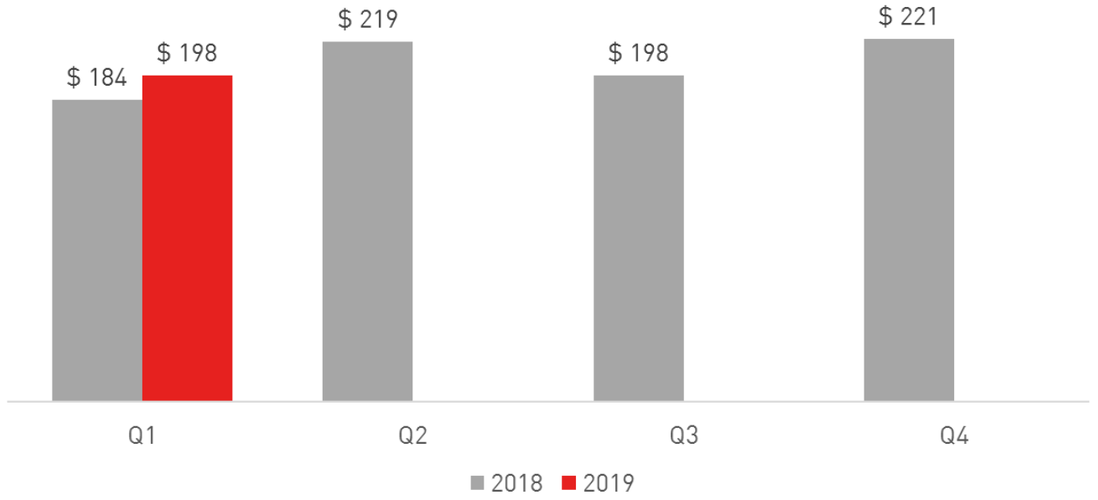
Source: IQVIA NPA TRx 3MMA, weekly data March 29, 2019

Note: Jardiance is part of the Boehringer Ingelheim and Lilly Diabetes Alliance

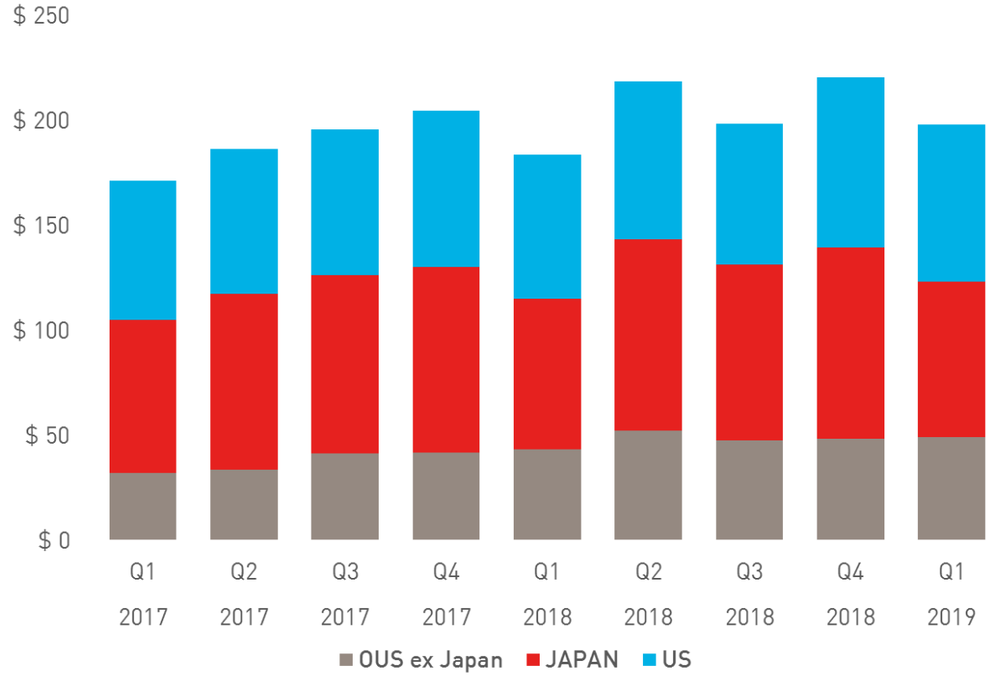
Q1 2019 CYRAMZA SALES INCREASED 8%

Millions

U.S. sales increased 10%
International sales increased 7%



Quarterly Sales by Major Geography

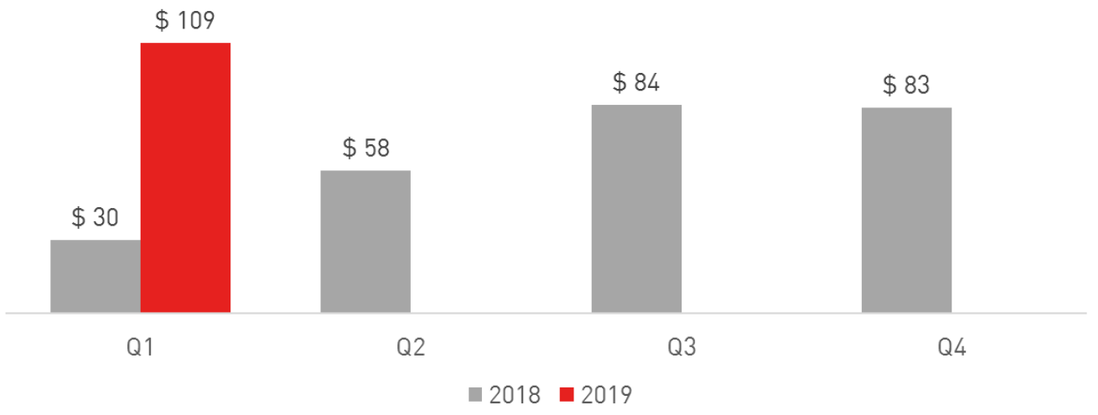


Note: Numbers may not add due to rounding.

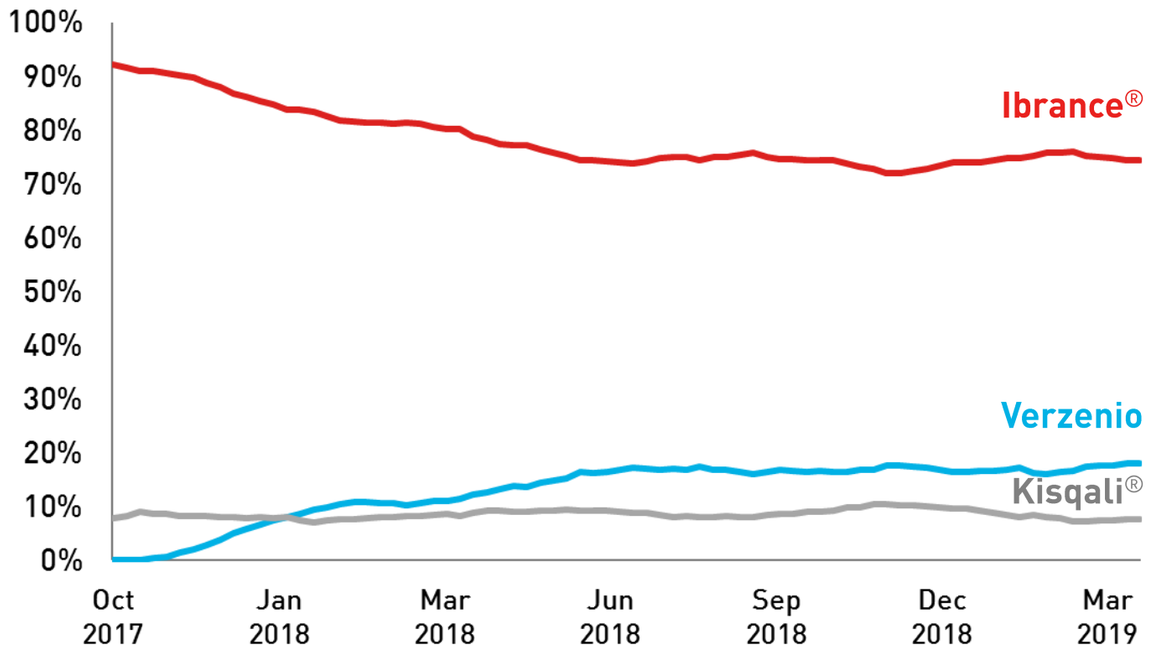
Q1 2019 VERZENIO SALES WERE $109 MILLION

Millions

U.S. sales were $94 million
International sales were $16 million



U.S. NBRx Share of Market



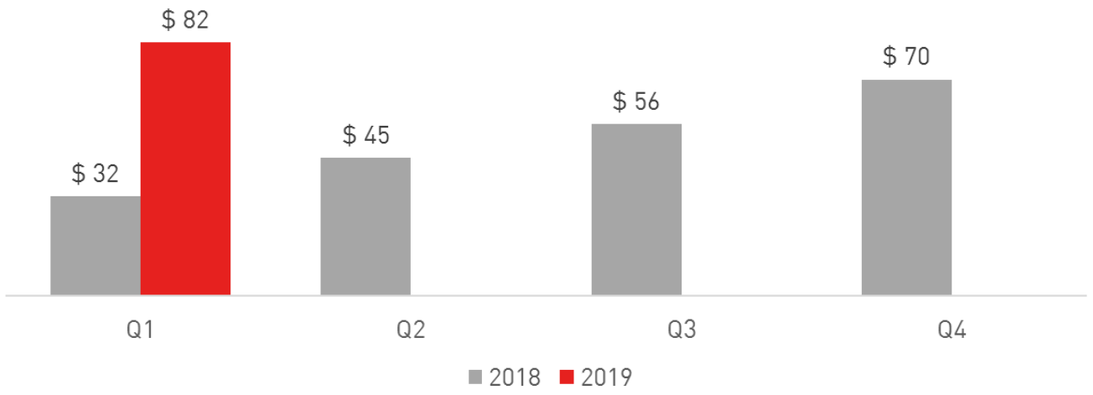
Note: Numbers may not add due to rounding.

Source: IQVIA NPA TRx 3MMA, weekly data March 29, 2019

Q1 2019 OLUMIANT SALES WERE $82 MILLION

Millions

U.S. sales were $6 million
International sales were $76 million



- Launched in the U.S. in July 2018
- Q1 sales driven by Europe, led by Germany
- Key driver of volume growth in Europe

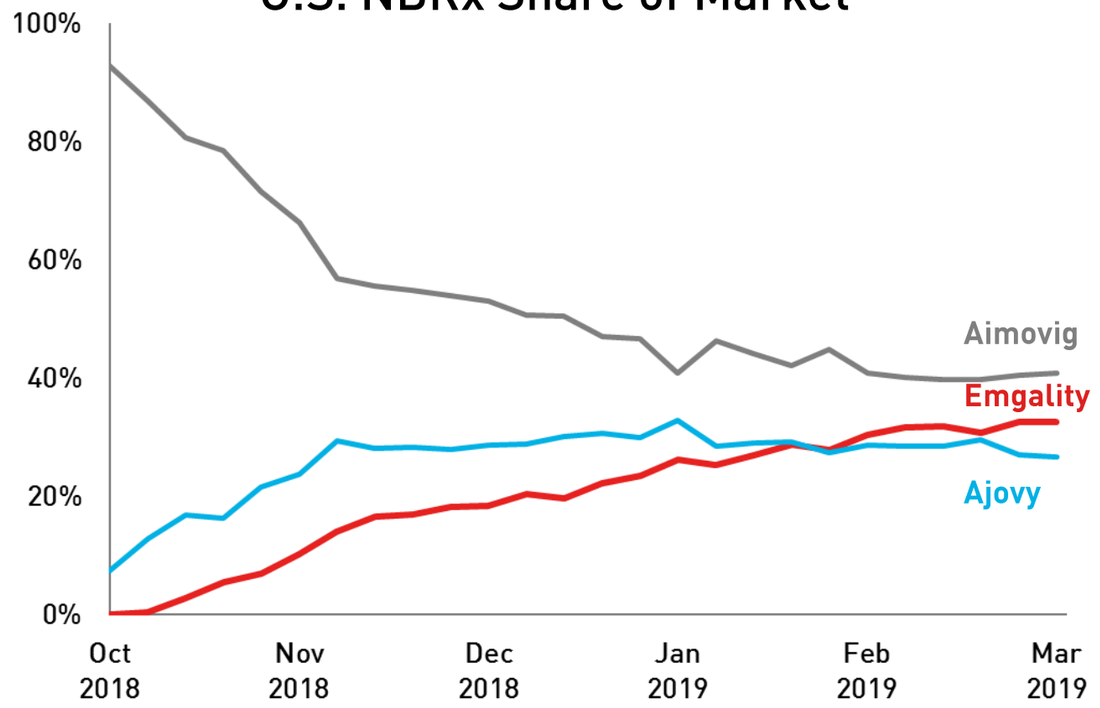
Note: Numbers may not add due to rounding.

Q1 2019 EMGALITY SALES WERE $14M

Millions

U.S. sales were $12M
International sales were $2M

U.S. NBRx Share of Market



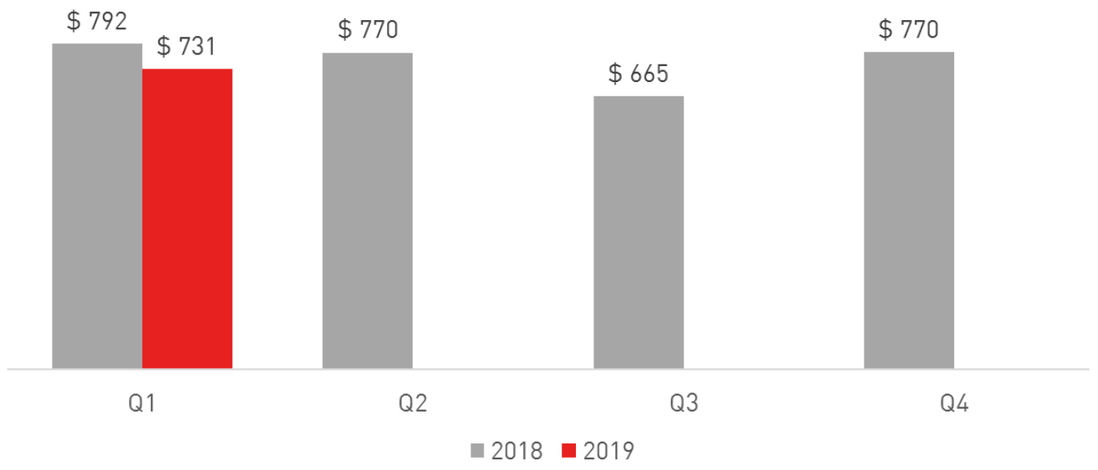
Note: Numbers may not add due to rounding.

Source: IQVIA NBRx, weekly data March 29, 2019

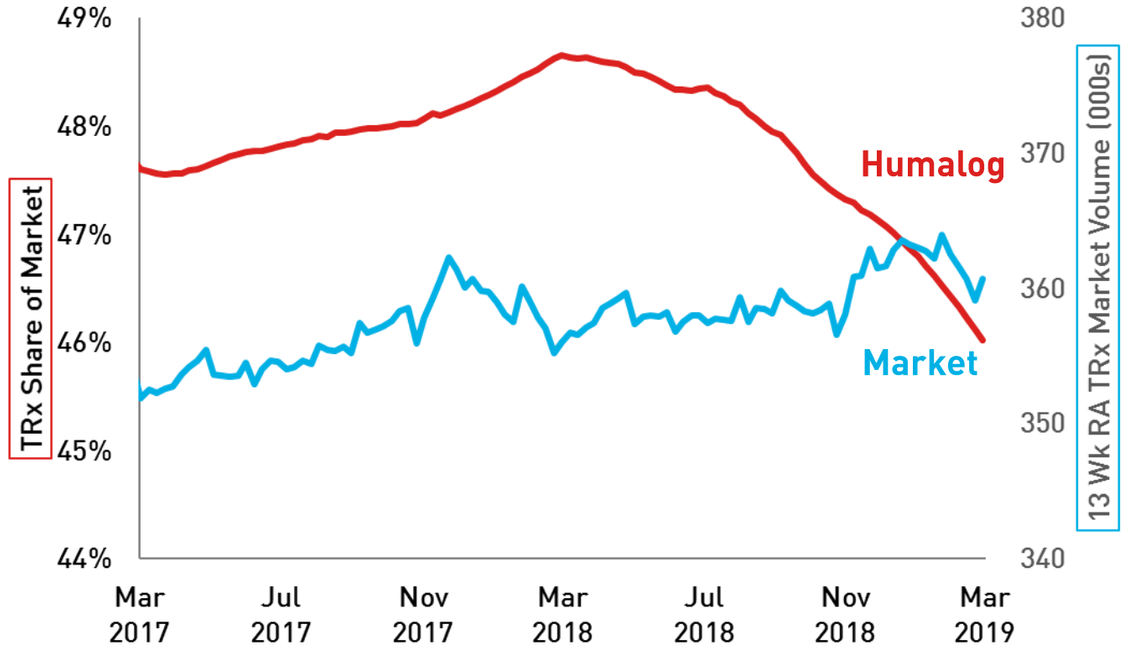
Q1 2019 HUMALOG SALES DECREASED 8%

Millions

U.S. sales decreased 11%
International sales decreased 2%



U.S. TRx SOM and Market Volume



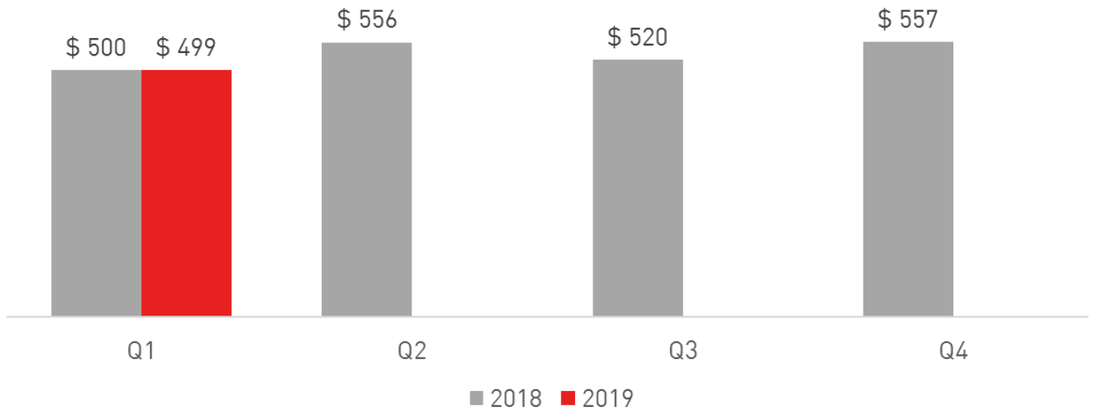
Note: Numbers may not add due to rounding.

Source: IQVIA NPA TRx 3MMA, weekly data March 29, 2019

Q1 2019 ALIMTA SALES FLAT VS. Q1 2018

Millions

U.S. sales increased 15%
International sales decreased 15%



	Q1 Sales	Change	Performance	Rate
U.S. Alimta	$281.8	15%	15%	-
OUS Alimta	$217.4	(15%)	(10%)	(4%)
WW Alimta	$499.2	(0%)	2%	(2%)

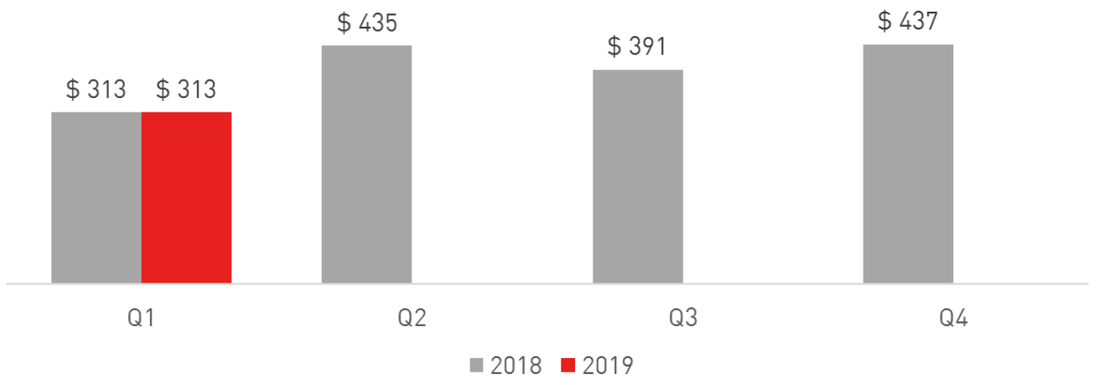
- U.S. sales increase primarily driven by increased demand
- OUS sales decrease driven primarily by decreased volume and, to a lesser extent, the unfavorable impact of FX and lower realized prices

Note: Numbers may not add due to rounding.

Q1 2019 FORTEO SALES UNCHANGED VS. Q1 2018

Millions

U.S. sales increased 3%
International sales decreased 2%



	Q1 Sales	Change	Performance	Rate
U.S. Forteo	$125.9	3%	3%	-
OUS Forteo	$187.0	(2%)	2%	(4%)
WW Forteo	$312.9	(0)%	2%	(2%)

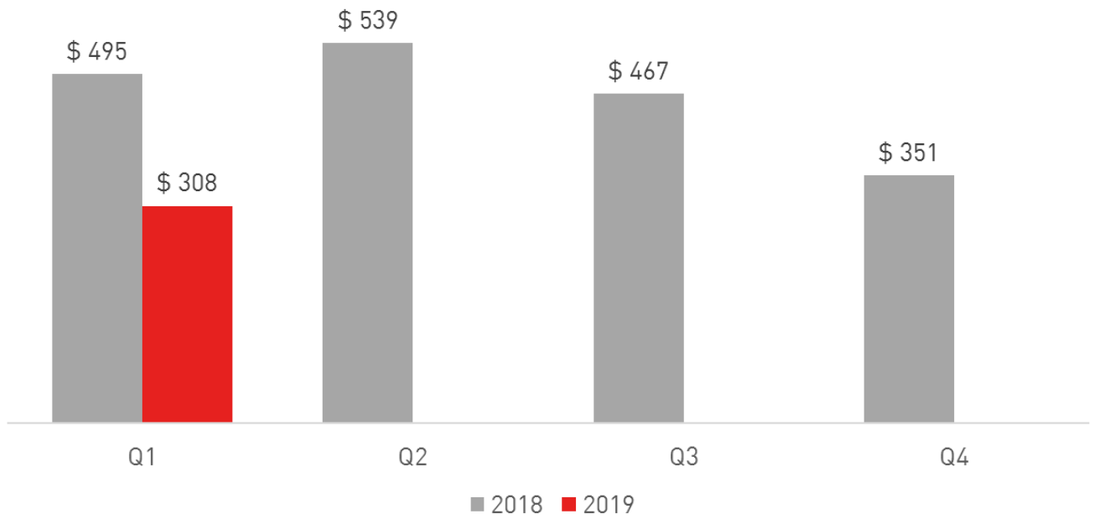
- U.S. sales increase primarily driven by increased net realized prices partially offset by decreased demand
- OUS sales decrease driven by the unfavorable impact of FX and, to a lesser extent, lower realized prices, partially offset by increased volume

Note: Numbers may not add due to rounding.

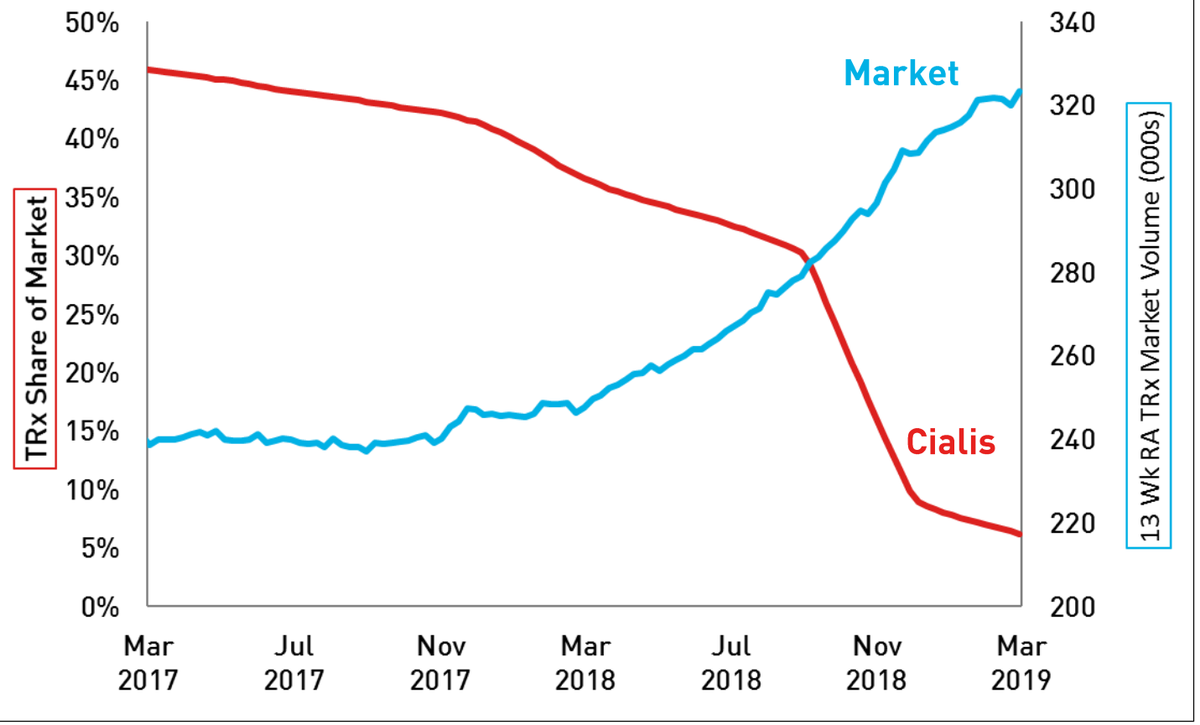
Q1 2019 CIALIS SALES DECREASED 38%

Millions

U.S. sales decreased 54%
International sales decreased 9%



U.S. TRx SOM and Market Volume



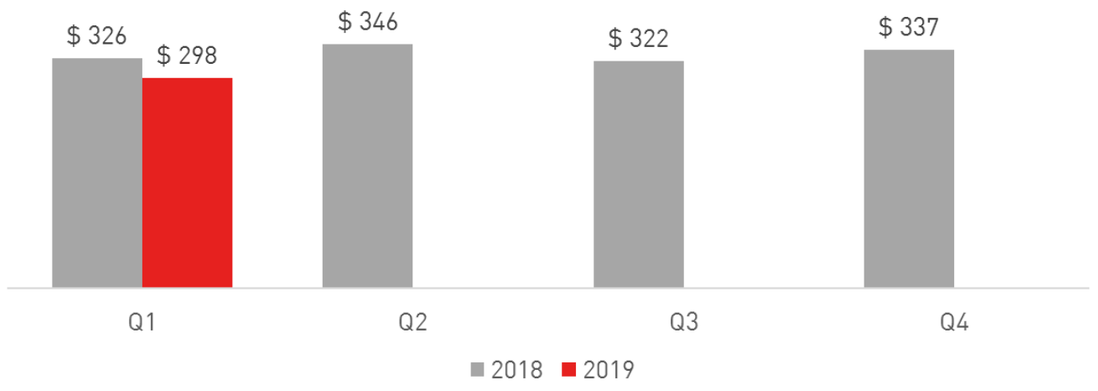
Note: Numbers may not add due to rounding.

Source: IQVIA NPA TRx 3MMA, weekly data March 29, 2019

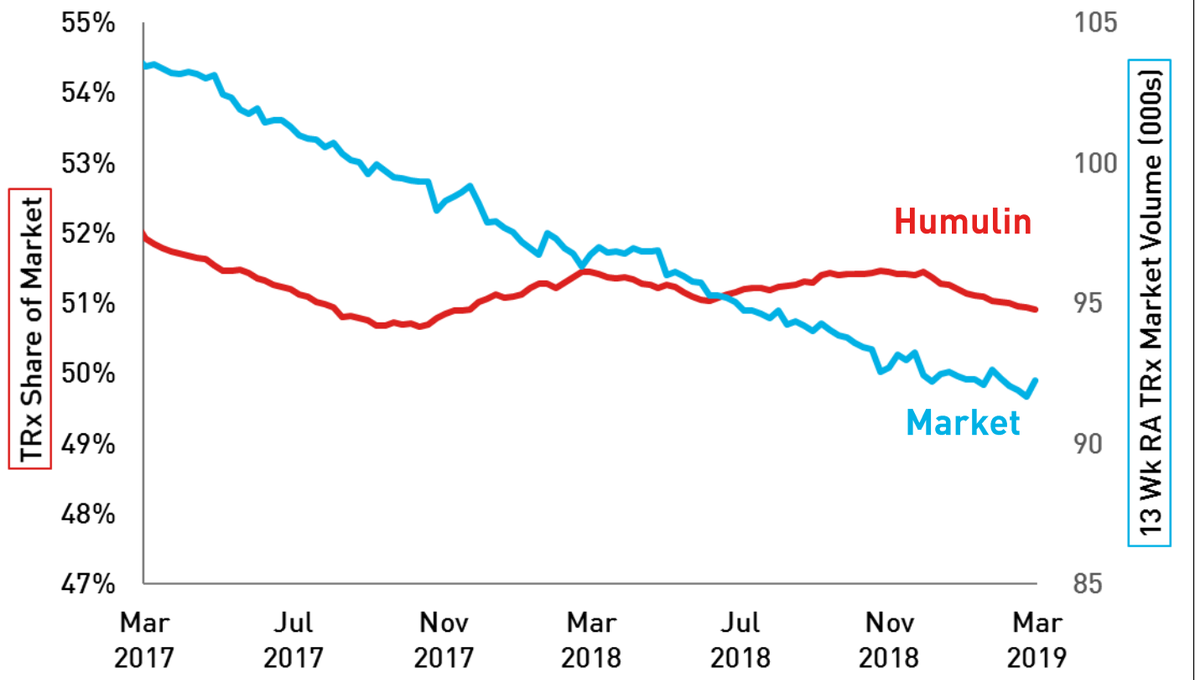
Q1 2019 HUMULIN® SALES DECREASED 9%

Millions

U.S. sales decreased 9%
International sales decreased 8%



U.S. TRx SOM and Market Volume



Note: Numbers may not add due to rounding.

Source: IQVIA NPA TRx 3MMA, weekly data March 29, 2019

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