2023 Guidance Call
INTRODUCTION

Dave Ricks, Chair and Chief Executive Officer

2023 GUIDANCE

Anat Ashkenazi, Chief Financial Officer

PIPELINE INSIGHTS

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

CLOSING REMARKS

Dave Ricks, Chair 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; the extent and duration of the effects of the COVID-19 pandemic; 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, 10-Q, and any 8-Ks filed with the Securities and Exchange Commission. Certain financial information in this presentation is presented on a non-GAAP basis. Investors should refer to the reconciliations included in this presentation and should consider the company’s non-GAAP measures in addition to, not as a substitute for or superior to, measures prepared in accordance with GAAP.

The company undertakes no duty to update forward-looking statements except as required by applicable law.
STRATEGIC DELIVERABLES
MID-TERM OUTLOOK

Invest in Current Portfolio

- **SG&A**: Invest for launch success; drive margin expansion over time
- **Gross Margin**: Maintain at ~80% by offsetting pricing and inflation headwinds with productivity efforts

Invest in Future Innovation

- **R&D**: Invest to fuel future growth
- **Business Development**: Pursue external innovation
- **Capex**: Bolster manufacturing capacity and supply chain resilience

Deliver Revenue Growth

- **Deliver top-tier, volume-driven growth** with innovative medicines
- **Growth catalysts** include recent launch of Mounjaro® for type 2 diabetes and expected launches of donanemab, pirtobrutinib, mirikizumab and lebrizumab

Speed Life-Changing Medicines

- **Achieve breakthroughs** for patients in the most burdensome diseases, including Alzheimer’s, obesity, diabetes, cancer and autoimmune disorders
- **Expand and enhance our world-class team and capabilities**

Return Capital to Shareholders via

- **Dividend**: Increase in-line with earnings growth over time
- **Share Repurchases**: Return excess capital

2023 GUIDANCE
DYNAMICS AFFECTING 2023 OUTLOOK

Revenue Growth Drivers:
• Continued growth of Mounjaro for patients with type 2 diabetes
• Continued uptake of other Key Growth Products:
  • Verzenio®
  • Jardiance®
  • Taltz®
• Revenue growth from Japan, China and Europe driven by newly launched products

Increased Investments to Create Long-term Value:
• Focus on success of new and potential launches
• Investments in R&D to deliver breakthrough medicines to patients

Headwinds vs Base Period:
• Decrease in COVID-19 antibody revenues
• Full year impact of the Alimta LOE in the U.S.
• Continued impact from foreign exchange rates

LOE = loss of exclusivity
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# REAFFIRMED 2022 AND FIRST TIME 2023 GUIDANCE

<table>
<thead>
<tr>
<th></th>
<th>2022 (REAFFIRMED)</th>
<th>2023</th>
<th>COMMENTS</th>
</tr>
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<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td>$28.5 – $29.0 billion</td>
<td>$30.3 – $30.8 billion</td>
<td>Core business [excluding COVID-19 antibodies] growing mid-teens %</td>
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<td></td>
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<td>[based on midpoints of the guidance ranges] or high-teens in constant</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>currency</td>
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<tr>
<td><strong>GROSS MARGIN % OF</strong></td>
<td>Approx. 76%</td>
<td>Approx. 77%</td>
<td>Slight improvement vs 2022 driven by reduced COVID-19 antibodies sales,</td>
</tr>
<tr>
<td>REVENUE (GAAP)</td>
<td>Approx. 78%</td>
<td>Approx. 79%</td>
<td>partially offset by inflationary pressures, impact of foreign exchange</td>
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<tr>
<td>GROSS MARGIN % OF</td>
<td></td>
<td></td>
<td>rates on revenue and price erosion</td>
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<tr>
<td>REVENUE (NON-GAAP)</td>
<td></td>
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<tr>
<td>**MKTG, SELLING &amp;</td>
<td>$6.4 – $6.6 billion</td>
<td>$6.9 – $7.1 billion</td>
<td>Growth driven by marketing investments in new launches and enhanced</td>
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<tr>
<td>ADMIN.</td>
<td></td>
<td></td>
<td>compensation</td>
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<tr>
<td>**RESEARCH &amp;</td>
<td>$7.1 – $7.3 billion</td>
<td>$8.2 – $8.4 billion</td>
<td>Growth driven by ongoing Phase 3 opportunities as well as new Phase 3</td>
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<tr>
<td>DEVELOPMENT</td>
<td></td>
<td></td>
<td>starts and enhanced compensation</td>
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<tr>
<td>**ACQUIRED IPR&amp;D &amp;</td>
<td>Approx. $670 million</td>
<td>–</td>
<td>No acquired IPR&amp;D and development milestone charges included in Q4</td>
</tr>
<tr>
<td>DEVT MILESTONES</td>
<td></td>
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<td>2022 reaffirmed guidance or initial 2023 guidance</td>
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<tr>
<td><strong>OTHER INCOME/(EXPENSE) (GAAP)</strong></td>
<td>$(700) – $(600) million</td>
<td>$(200) – $(100) million</td>
<td>Non-GAAP increase driven primarily by higher interest expense</td>
</tr>
<tr>
<td><strong>OTHER INCOME/(EXPENSE) (NON-GAAP)</strong></td>
<td>$(100) – $0 million</td>
<td></td>
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<tr>
<td><strong>TAX RATE</strong></td>
<td>Approx. 13% – 14%</td>
<td>Approx. 16%</td>
<td>Increase driven by the Puerto Rico tax law change; assumes the 2017 Tax</td>
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<td>Act is deferred or repealed in 2022, retroactive to January 1, 2022</td>
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<td><strong>EARNINGS PER SHARE (GAAP)</strong></td>
<td>$6.50 – $6.65</td>
<td>$7.65 – $7.85</td>
<td>Reflects topline growth alongside meaningful investments in the business</td>
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<tr>
<td><strong>EARNINGS PER SHARE (NON-GAAP)</strong></td>
<td>$7.70 – $7.85</td>
<td>$8.10 – $8.30</td>
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</tbody>
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2022 & 2023 assumes shares outstanding of 904 million

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Updated FX assumptions of 1.00 [Euro], 140 [Yen] and 7.00 [Renminbi]
In patients with obesity who do not have type 2 diabetes, following 36 weeks of treatment, we estimate\(^1\) that orfoglizipron will achieve:

- Weight reduction of approximately 14%–15%
- Safety and tolerability profile consistent with GLP-1R pharmacology

In patients with type 2 diabetes, following 26 weeks of treatment, orfoglizipron achieved:

- Dose-dependent reduction in HbA1c up to 2.1%
- Dose-dependent weight reduction up to 9.6%
- Safety and tolerability profile consistent with GLP-1R pharmacology

Orfoglizipron could achieve HbA1c lowering and weight reduction similar to injectable GLP-1 receptor agonists with the convenience of once-daily oral dosing, without food or water restrictions.

Data represent change from baseline.
\(^1\)Estimates reflect modeled projections of final results based on interim analysis. Last patient visit has occurred.
Note: GLP-1R NPA (LY302970) is licensed from Chugai; GLP-1R NPA=GLP-1 receptor non-peptidic agonist.

2023 GUIDANCE
CHRONIC WEIGHT MANAGEMENT
(Phase 2 preliminary analysis)

In patients with obesity who do not have type 2 diabetes, following 48 weeks of treatment, we estimate¹ that retatrutide will achieve:

- Weight reduction of approximately 22% - 24% at the highest dose, driven primarily by fat mass loss
- Liver fat lowering anticipated to be differentiated compared to other incretin-based therapies
- Safety and tolerability similar to other incretin-based therapies

TYPE 2 DIABETES
(Phase 2 preliminary analysis)

In patients with type 2 diabetes, following 36 weeks of treatment, we estimate¹ that retatrutide will achieve:

- Reduction in HbA1c of approximately 2% at the highest dose
- Weight reduction of approximately 15% - 17% at the highest dose, driven primarily by fat mass loss
- Safety and tolerability similar to other incretin-based therapies

Retatrutide could achieve a step change in efficacy compared to tirzepatide in chronic weight management with an overall safety and tolerability profile similar to other incretin-based therapies.

Data represent change from baseline.
¹Estimates reflect modeled projections of final results based on interim analysis. Last patient visit has occurred.
Phase 3 Initiations

- **Basal Insulin-Fc** for type 2 diabetes (QWINT-1)
- **Tirzepatide** for chronic weight management (H2H vs semaglutide 2.4 mg)
- **Retatrutide** for chronic weight management
- **Orforbgipron** for chronic weight management
- **Orforbgipron** for type 2 diabetes
- **Remternetug** for early Alzheimer’s disease (efficacy trials)

Phase 3 Data Disclosures

- **Donanemab** for early Alzheimer’s disease
- **Tirzepatide** for chronic weight management (SURMOUNT-2)
- **Tirzepatide** for chronic weight management (SURMOUNT-3)
- **Tirzepatide** for chronic weight management (SURMOUNT-4)
- **MIRIKIZUMAB** for Crohn’s disease
- **Abemaciclib** for castrate-resistant prostate cancer (CYCLONE-2)

Regulatory Submissions

- **Tirzepatide** for obesity (US/EU)
- **Lebrikizumab** for atopic dermatitis (J)
- **Empagliflozin** for chronic kidney disease (US/EU/J)
- **Donanemab** for early Alzheimer’s disease (US/EU/J)
- **Pirtobrutinib** for MCL prior BTKi (J)

Regulatory Actions

- **Donanemab** for early Alzheimer’s disease (US)
- **Lebrikizumab** for atopic dermatitis (US/EU)
- **MIRIKIZUMAB** for ulcerative colitis (US/EU/J)
- **Pirtobrutinib** for MCL prior BTKi (US/J/EU)
- **Empagliflozin** for chronic kidney disease (US/EU/J)
- **Tirzepatide** for chronic weight management (US)

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1 In collaboration with Boehringer Ingelheim
2 Under the traditional approval pathway
3 Under the FDA Accelerated Approval Program

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SUMMARY

• **Core business revenue expected to grow by mid-teens** in 2023, with top-tier growth expected through at least 2030

• **Multiple expected product launches**, with potential approvals of donanemab, pirtobrutinib, mirikizumab, lebrikizumab and tirzepatide in obesity

• **2023 Investment Growth:**
  • Support the successful launch of Mounjaro and potential upcoming new launches in 2023
  • Fund exciting new Phase 3 starts as well as support robust ongoing Phase 3 programs
  • Make incremental investments in our people

• **2023 dividend increase of 15%** for the fifth consecutive year, doubling the dividend since 2018

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**Invest in Current Portfolio**

**Deliver Revenue Growth**

**Invest in Future Innovation**

**Speed Life-Changing Medicines**

**Return Capital to Shareholders**

**2023 GUIDANCE**
SUPPLEMENTARY SLIDES
## 2023 GAAP WALKTHROUGH

<table>
<thead>
<tr>
<th></th>
<th>GAAP GUIDANCE</th>
<th>EXCLUSION OF AMORTIZATION</th>
<th>NON-GAAP GUIDANCE</th>
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<tbody>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>$30.3 – $30.8 billion</td>
<td>Approx. $510 million</td>
<td>$30.3 – $30.8 billion</td>
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<tr>
<td><strong>COST OF SALES</strong></td>
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<td>Approx. 77%</td>
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<td><strong>EARNINGS PER SHARE</strong></td>
<td>$7.65 - $7.85</td>
<td>$0.45</td>
<td>$8.10 – $8.30</td>
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