2023 Guidance Call

December 13, 2022

AGENDA

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

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 lebrikizumab

Invest in Future Innovation

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

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

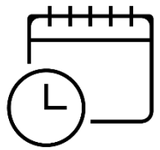
DYNAMICS AFFECTING 2023 OUTLOOK

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

REAFFIRMED 2022 AND FIRST TIME 2023 GUIDANCE

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13% – 14%	Approx. 16%	Increase driven by the Puerto Rico tax law change; assumes the 2017 Tax Act is deferred or repealed in 2022, retroactive to January 1, 2022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

2022 & 2023 assumes shares outstanding of 904 million

Updated FX assumptions of 1.00 (Euro), 140 (Yen) and 7.00 (Renminbi)

ORFORGLIPRON (Oral GLP-1R NPA)

INITIATING PHASE 3 IN TYPE 2 DIABETES & CHRONIC WEIGHT MANAGEMENT

CHRONIC WEIGHT MANAGEMENT
(Phase 2 preliminary analysis)

In patients with obesity who do not have type 2 diabetes, following 36 weeks of treatment, we estimate[1] that orforglipron will achieve:

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

TYPE 2 DIABETES
(Phase 2 results)

In patients with type 2 diabetes, following 26 weeks of treatment, orforglipron 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

Orforglipron 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 (LY3502970) is licensed from Chugai; GLP-1R NPA=GLP-1 receptor non-peptidic agonist.

RETATRUTIDE (GGG TRI-AGONIST)

INITIATING PHASE 3 IN CHRONIC WEIGHT MANAGEMENT

CHRONIC WEIGHT MANAGEMENT
(Phase 2 preliminary analysis)

In patients with obesity who do not have type 2 diabetes, following 48 weeks of treatment, we estimate[1] 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 estimate[1] 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.
[1]Estimates reflect modeled projections of final results based on interim analysis. Last patient visit has occurred.

POTENTIAL KEY EVENTS 2023

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
- **Orforglipron** for chronic weight management
- **Orforglipron** 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[1] (US/EU/J)
- **Donanemab** for early Alzheimer's disease[2] (US/EU/J)
- **Pirtobrutinib** for MCL prior BTKi (J)

Regulatory Actions

- **Donanemab** for early Alzheimer's disease[3] (US)
- **Lebrikizumab** for atopic dermatitis (US/EU)
- **Mirikizumab** for ulcerative colitis (US/EU/J)
- **Pirtobrutinib** for MCL prior BTKi (US[3]/EU)
- **Empagliflozin** for chronic kidney disease[1] (US/EU/J)
- **Tirzepatide** for chronic weight management (US)

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

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

Invest in Current Portfolio

Invest in Future Innovation

Deliver Revenue Growth

Speed Life-Changing Medicines

Return Capital to Shareholders

SUPPLEMENTARY SLIDES

2023 GAAP WALKTHROUGH

	GAAP GUIDANCE	EXCLUSION OF AMORTIZATION	NON-GAAP GUIDANCE
TOTAL REVENUE	$30.3 – $30.8 billion		$30.3 – $30.8 billion
COST OF SALES		Approx. $510 million	
GROSS MARGIN % OF REVENUE	Approx. 77%		Approx. 79%
MKTG, SELLING & ADMIN.	$6.9 – $7.1 billion		$6.9 – $7.1 billion
RESEARCH & DEVELOPMENT	$8.2 – $8.4 billion		$8.2 – $8.4 billion
OTHER INCOME/(EXPENSE)	$(200) – $(100) million		$(200) – $(100) million
TAX RATE	Approx. 16%		Approx. 16%
EARNINGS PER SHARE	$7.65 - $7.85	$0.45	$8.10 - $8.30


Lilly