

**DAVE RICKS**

**Chair and CEO, Eli Lilly and Company**

**J. P. Morgan Healthcare Conference**

**January 9, 2024**

# 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.**

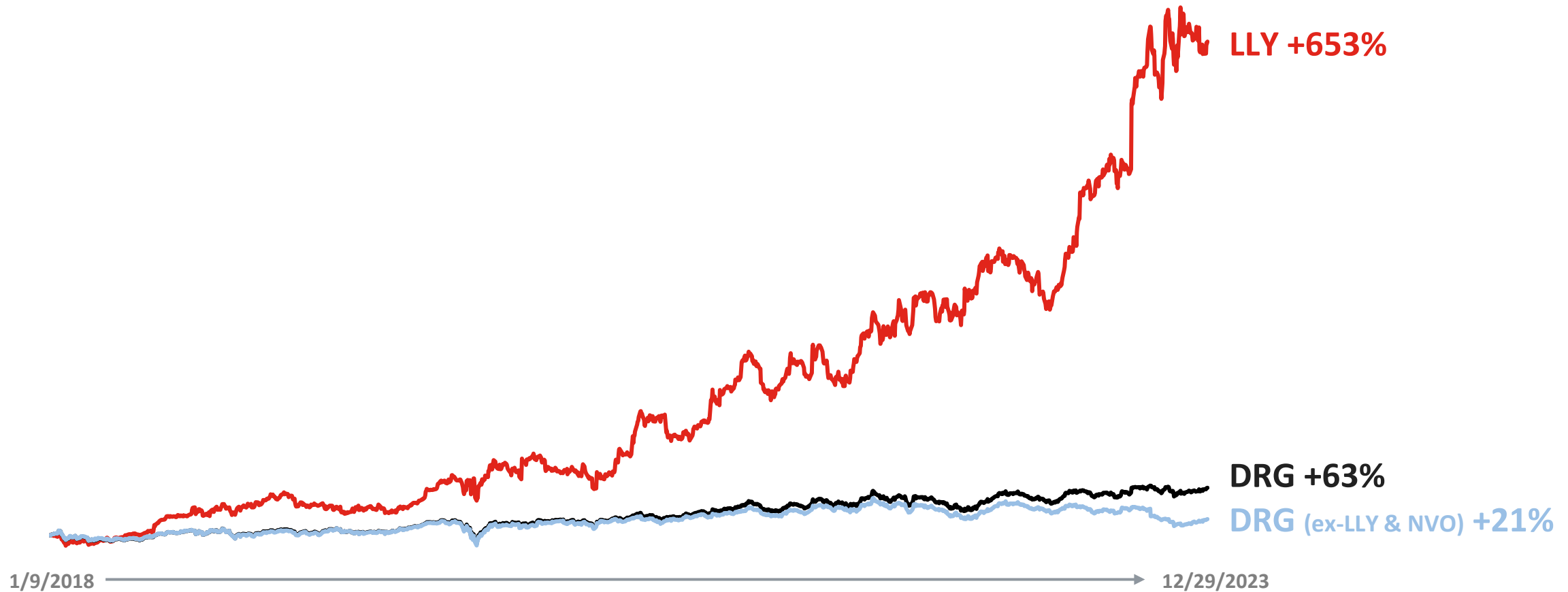
**For additional information about the factors that affect the company's business, please see the company's latest Form 10-K and subsequent Forms 10-Q and 8-K filed with the Securities and Exchange Commission. Certain financial information in this presentation is presented on a non-GAAP basis. Investors 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**

# An eventful and productive 6 years

Long-term performance underpinned by innovation focus, while obesity TAM\* was the dominant narrative in 2023

\* TAM = Total Addressable Market



# Focus and speed have helped drive R&D productivity

Substantial investment in each therapeutic area and in genetic medicines, with accelerated R&D timelines

## FOCUS

Concentrated bets in areas of high unmet need



Diabetes, Obesity & Cardiometabolic



Oncology



Neuroscience



Immunology

## SPEED

Accelerated R&D timelines

Portfolio Entry to First Human Dose (Years)

**3.6**  
2015-2017



**2.4**  
2021-2023<sup>(1)</sup>

First Human Dose to First Launch (Years)

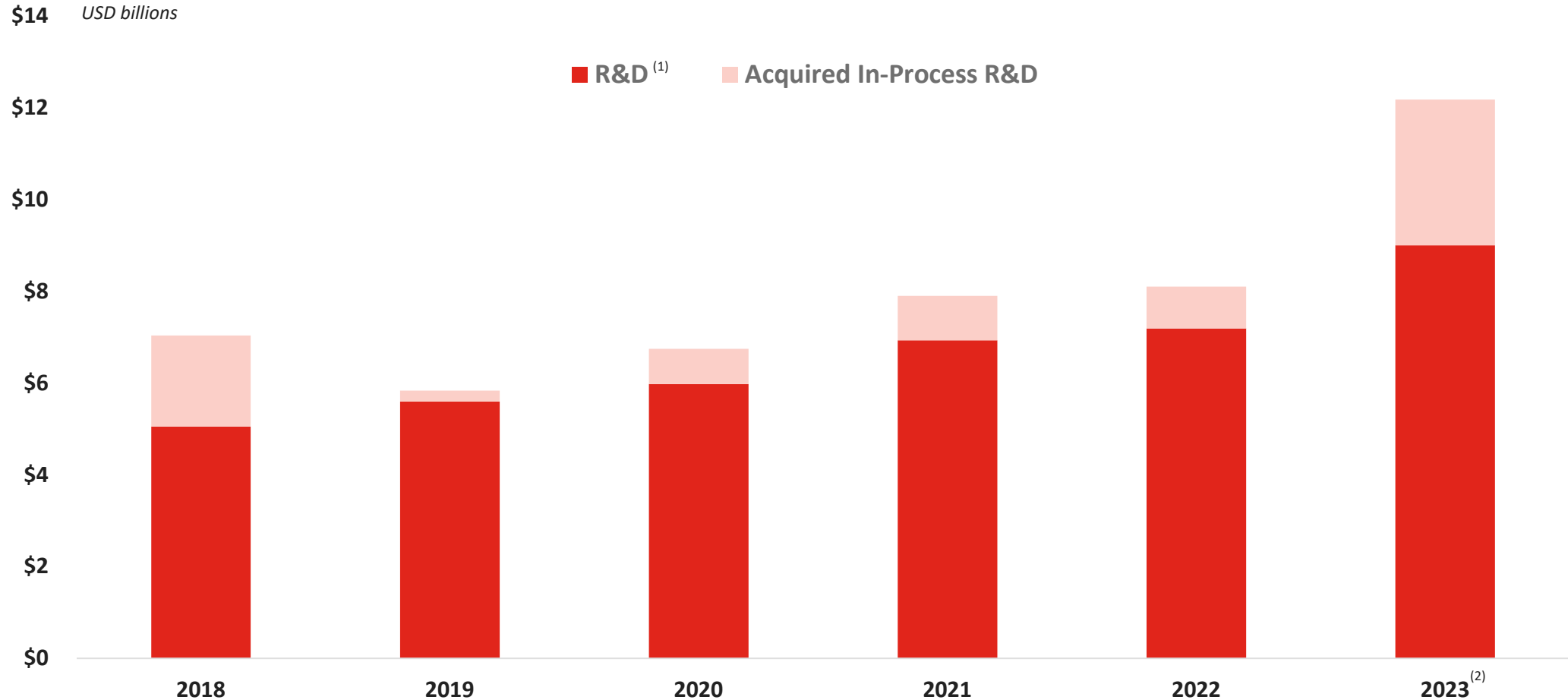
**9.9**  
2011-2015



**6.2**  
2019-2023<sup>(1)</sup>

# Consistent and growing R&D investment

R&D spend has nearly doubled since 2018, while Acquired IPR&D has increased with business development activity



1. Excludes animal health R&D before completion of Elanco spin-off in September 2018.

2. 2023 R&D figure based on midpoint of financial guidance; 2023 IPR&D through Q3.

# The long road to “overnight” success in incretins

Discovering and delivering breakthrough medicines requires persistence of R&D efforts

1996

Dr. John Eng licenses **exendin-4** to Amylin



2005

Approval of **Byetta**

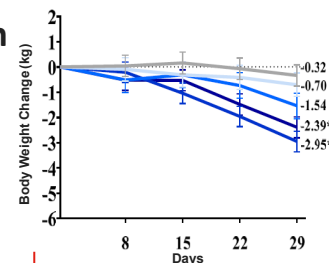


2010

AWARD-1 Phase 3 study of **dulaglutide** in T2D begins

2017

First in human data of **tirzepatide** showing weight loss



2022

**Mounjaro** (tirzepatide) launches for T2D; SURMOUNT-MMO tirzepatide outcomes study in obesity begins

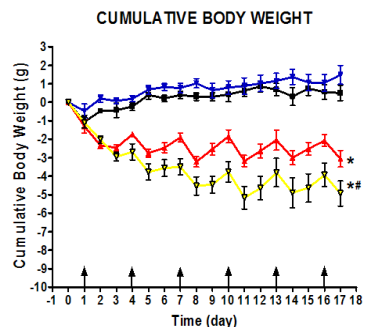


2002

Lilly-Amylin alliance for **exenatide** signed

2010

Proof of concept in mice of weight loss from GIP+GLP-1



2014

FDA approval for **Trulicity** (dulaglutide once weekly injection)



NOT FOR PROMOTIONAL USE

2017

**Tirzepatide** Phase 2 trial in T2D begins

2019

**Trulicity** REWIND CV outcomes study positive readout

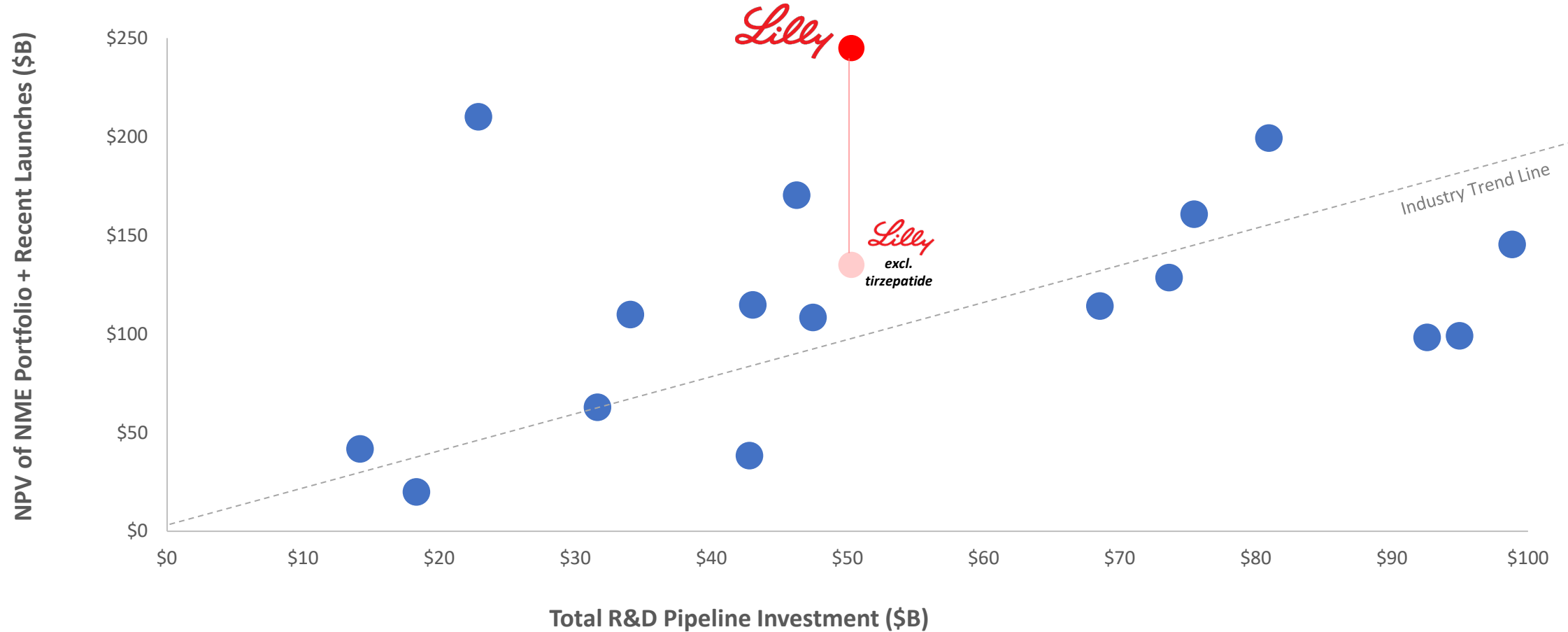
2023

**Zepbound** approved by FDA for chronic weight management



# How does R&D productivity scale?

Lilly productivity boosted by tirzepatide, but remains above industry line ex-tirzepatide



Data Sources:

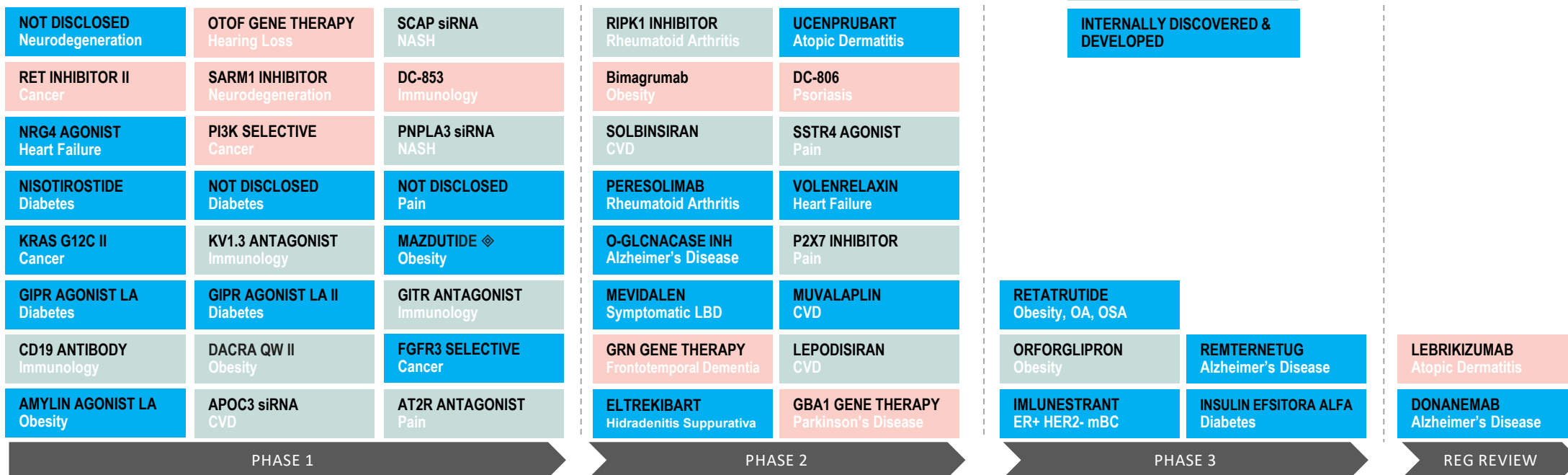
y-axis: EvaluatePharma Consensus Estimates for current NME pipelines and NME launches since 2014, as of 12/7/2023  
x-axis: Company reported R&D OPEX + estimated one-time M&A expenditures for pipeline assets, 2017-2022



# External innovation in Lilly's pipeline

>50% of our NME pipeline is from acquisition, licensing, or partnership

Select NMEs shared from Q3 2023 earnings materials



**LEGEND**

- ACQUISITION
- LICENSING / PARTNERSHIP
- INTERNALLY DISCOVERED & DEVELOPED

◆ Phase 3 in China with Innovent for T2DM and Obesity





# M&A is only one approach to external innovation

We aim to maximize value of acquisitions post-transaction with employee retention and a flexible approach to integration

2019



2020



PETRA PHARMA

2021



2022



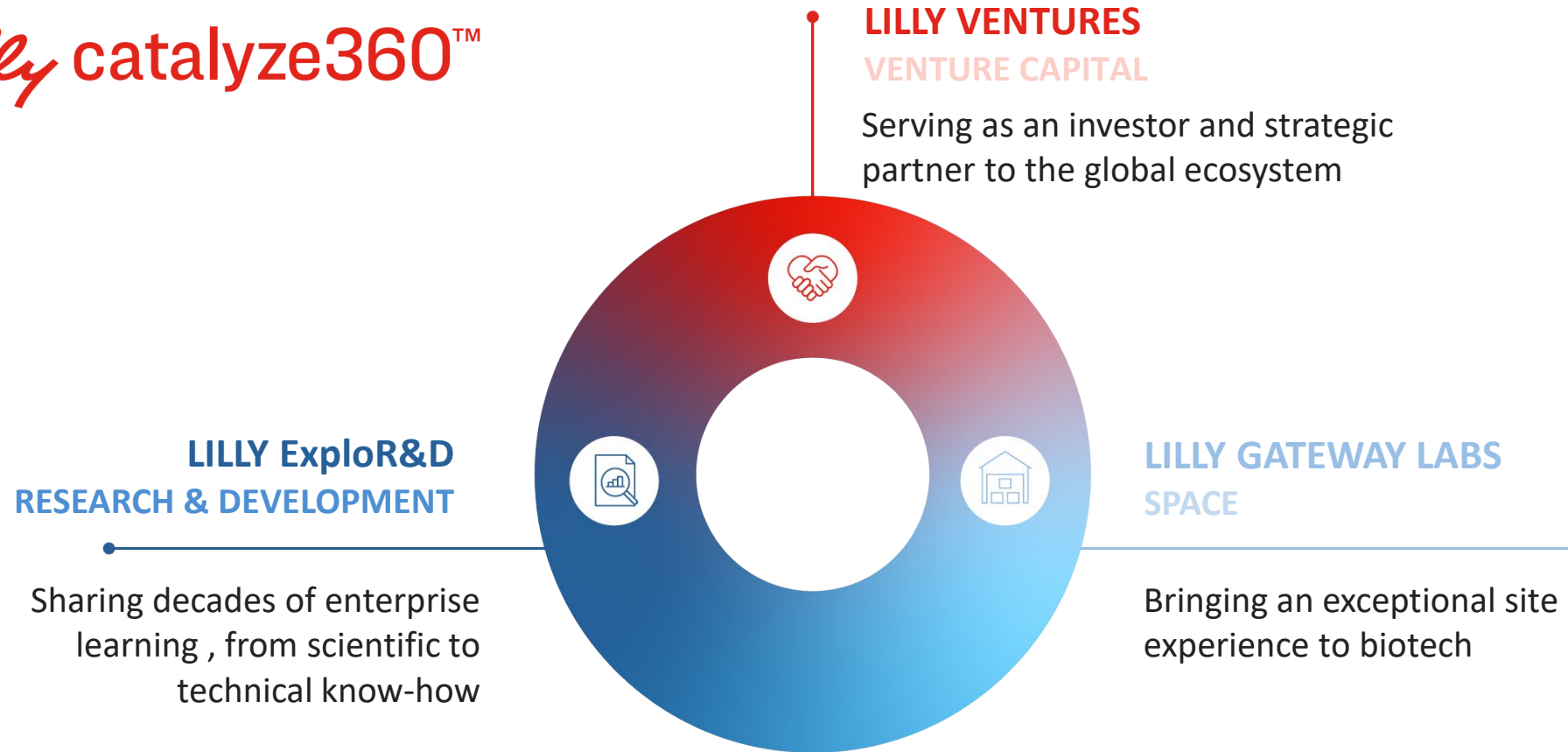
2023



# We are engaging the biotech ecosystem in multiple ways

Lilly's catalyze360 is a broader approach to external innovation focused on meeting a variety of partner needs

*Lilly* catalyze360™



# Driving excellence at scale – for patients

**Maintain focus on the convergence of unmet medical need and large patient populations**

**Sustain discipline on threshold for molecule development**

**Increase breadth of partnerships for early innovation**

**Be early on new modalities and technologies**



*Lilly*