Q4 + FY

JANUARY 31, 2018

2017 Q4 AND FULL-YEAR EARNINGS

Lilly

AGENDA

INTRODUCTION AND KEY RECENT EVENTS

Dave Ricks, Chairman and Chief Executive Officer

Q4 FINANCIAL RESULTS AND FINANCIAL GUIDANCE

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

PIPELINE AND KEY FUTURE EVENTS

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

7% revenue growth

Driven by:

- volume, not price
- new products

EXPAND MARGINS

- Excluding FX on int'l. inventories sold, gross margin as a % of revenue increased roughly 130bp
- OPEX % of revenue 52.8%, a decline of over 340bp

DEPLOY CAPITAL TO CREATE VALUE

- Announced 8% dividend increase
- Repurchased $100m of stock

SUSTAIN FLOW OF INNOVATION

- Approval and launch of Taltz® for active psoriatic arthritis
- Initiation of clinical trial for automated insulin delivery system

KEY EVENTS SINCE THE LAST EARNINGS CALL

COMMERCIAL

- Launched Taltz (ixekizumab) in the U.S. for active psoriatic arthritis;

REGULATORY

- The U.S. FDA approved Taltz (ixekizumab) for the treatment of adults with active psoriatic arthritis;
- The European Commission approved Taltz (ixekizumab) for the treatment of adults with active psoriatic arthritis;
- The U.S. FDA accepted the resubmission of the NDA for baricitinib for the treatment of moderate-to-severe rheumatoid arthritis;
- The European Commission approved Galliprant® for osteoarthritis in dogs; and
- The U.S. FDA approved Credelio® (lotilaner), a monthly chewable tablet, to treat and control ticks and fleas in dogs.

CLINICAL

- Initiated a Phase 3 program investigating baricitinib for atopic dermatitis.
- Announced top-line results of the RAINFALL study for Cyramza® (ramucirumab) in the first-line treatment of patients with HER2-negative metastatic gastric or gastroesophageal junction (GEJ) adenocarcinoma; the trial met its primary endpoint of progression-free survival (PFS) but did not improve overall survival (OS);

CLINICAL (continued)

- At AHA, presented data from EMPA-REG OUTCOME showing that empagliflozin reduces mortality and hospitalization for heart failure in patients with type 2 diabetes and peripheral artery disease.
- At Psoriasis Gene to Clinic, presented detailed data from:
  - The UNCOVER study showing that ixekizumab provided sustained efficacy through 3 years of treatment, reflected by the maintenance of low absolute PASI values; and
  - The Phase 2 study showing that mirikizumab, in moderate-to-severe plaque psoriasis, met its primary endpoint of improved PASI 90 response at week 16 versus placebo.
- At ACR, presented:
  - A post-hoc analysis from RA-BEAM showing baricitinib patients with moderate-to-severe rheumatoid arthritis reported greater improvements in their pain symptoms compared to patients treated with adalimumab; and
  - Ixekizumab data from the 28 week extension period of the SPIRIT-P2 trial in psoriatic arthritis showing that patients treated with ixekizumab showed improvements in disease activity at 52 weeks.

BUSINESS DEVELOPMENT & OTHER

- Announced a collaboration with Rimidi to develop provider-focused tools that will integrate personalized solutions for people who use insulin to manage their diabetes;
- Announced a collaboration with Livongo to study real-world evidence and develop new insights to reduce the burden on people living with diabetes;
- Announced an 8% increase to the dividend;
- Repurchased $100 million of stock; and
- Distributed over $500 million to shareholders via the dividend.

U.S. TAX REFORM LEGISLATION

Financial Impact

- Q4 charge of $1.9 billion
  - o $3.6 billion one-time repatriation transition tax (toll tax)
  - o Offset by changes in deferred taxes including the re-measurement of deferred taxes from 35% to 21%
- Estimated 2018 effective tax rate of 18%
  - o Reduced GAAP from 20.5% and non-GAAP from 21.5%
  - o Lower corporate tax rate offset by other provisions of the new tax law

Uses of Cash

- $9 billion of global cash
- Deploy over 2018 and 2019
  - o Fund existing marketed and pipeline products
  - o Bolster growth prospects via business development
  - o Return to shareholders
- Reduce gross debt by about $2 billion

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**

Include adjustments for items such as:

- Asset impairment, restructuring and other special charges
- Acquired in-process R&D charges and other income and expenses from business development activities
- Amortization of intangible assets

Q4 & FY 2017 INCOME STATEMENT - REPORTED

Millions; except per share data

	Q4 2017	Change	2017	Change
Total Revenue	$6,161	7%	$22,871	8%
Gross Margin	73.6%	(1.0pp)	73.5%	0.1pp
Total Operating Expense*	4,307	26%	14,656	21%
Operating Income	229	(74)%	2,145	(38)%
Other Income (Expense)	55	NM	52	NM
Effective Tax Rate	683.2%	NM	109.3%	NM
Net Income (Loss)	**($1,657)**	**NM**	**($204)**	**NM**
EPS	**($1.58)**	**NM**	**($0.19)**	**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

	Q4 2017			
	GAAP Reported	Adjust-ments	**Non-GAAP Adjusted**	Non-GAAP Adjusted Change
Total Revenue	$6,161	-	**$6,161**	7%
Gross Margin	73.6%	2.9%	**76.5%**	(0.9pp)
Total Operating Expense	4,307	(1,055)	**3,252**	0%
Operating Income	229	1,229	**1,458**	20%
Other Income (Expense)	55	-	**55**	NM
Effective Tax Rate	683.2%	NM	**20.2%**	2.3pp
Net Income (Loss)	($1,657)	NM	**$1,207**	19%
EPS	($1.58)	NM	**$1.14**	20%

Note: Numbers may not add due to rounding; see slide 25 for a complete list of significant adjustments.

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

Millions; except per share data

	2017			
	GAAP Reported	Adjust-ments	**Non-GAAP Adjusted**	Non-GAAP Adjusted Change
Total Revenue	$22,871	-	**$22,871**	8%
Gross Margin	73.5%	3.1%	**76.6%**	0.1pp
Total Operating Expense	14,656	(2,792)	**11,864**	1%
Operating Income	2,145	3,504	**5,649**	24%
Other Income (Expense)	52	-	**52**	(56%)
Effective Tax Rate	109.3%	NM	**20.5%**	0.4pp
Net Income (Loss)	($204)	NM	**$4,530**	21%
EPS	($0.19)	NM	**$4.28**	22%

Note: Numbers may not add due to rounding; see slide 26 for a complete list of significant adjustments.

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

Millions; except per share data

	Q4 2017	Q4 2016	Change	2017	2016	Change
EPS (reported)	**($1.58)**	**$0.73**	**NM**	**($0.19)**	**$2.58**	**NM**
US Tax Reform	1.81	-		1.81	-	
Asset impairment, restructuring, and other special charges	0.75	0.10		1.23	0.29	
Amortization of intangible assets	0.11	0.11		0.44	0.44	
Acquired in-process R&D	0.03	0.02		0.97	0.02	
Inventory Step-Up	0.01	-		0.03	-	
Venezuela charge	-	-		-	0.19	
EPS (non-GAAP)	**$1.14**	**$0.95**	**20%**	**$4.28**	**$3.52**	**22%**

Note: Numbers may not add due to rounding; see slides 25 and 26 for more details on these significant adjustments.

EFFECT OF PRICE/RATE/VOLUME ON REVENUE

Millions

	Q4 2017					
Pharmaceuticals	**Amount**	**Price**	**FX Rate**	**Volume**	**Total**	**CER**
U.S.	$3,085.5	5%	-	4%	9%	9%
Europe	914.8	(1%)	8%	9%	17%	9%
Japan	631.8	(0%)	(5%)	10%	4%	9%
Rest of World	737.8	(1%)	1%	6%	6%	5%
Total Pharma	5,369.9	3%	1%	6%	9%	8%
Animal Health	790.9	1%	1%	(8%)	(6%)	(7%)
Total Revenue	**$6,160.7**	2%	1%	4%	7%	6%

Note: Numbers may not add due to rounding.

CER = price change + volume change

EFFECT OF PRICE/RATE/VOLUME ON REVENUE

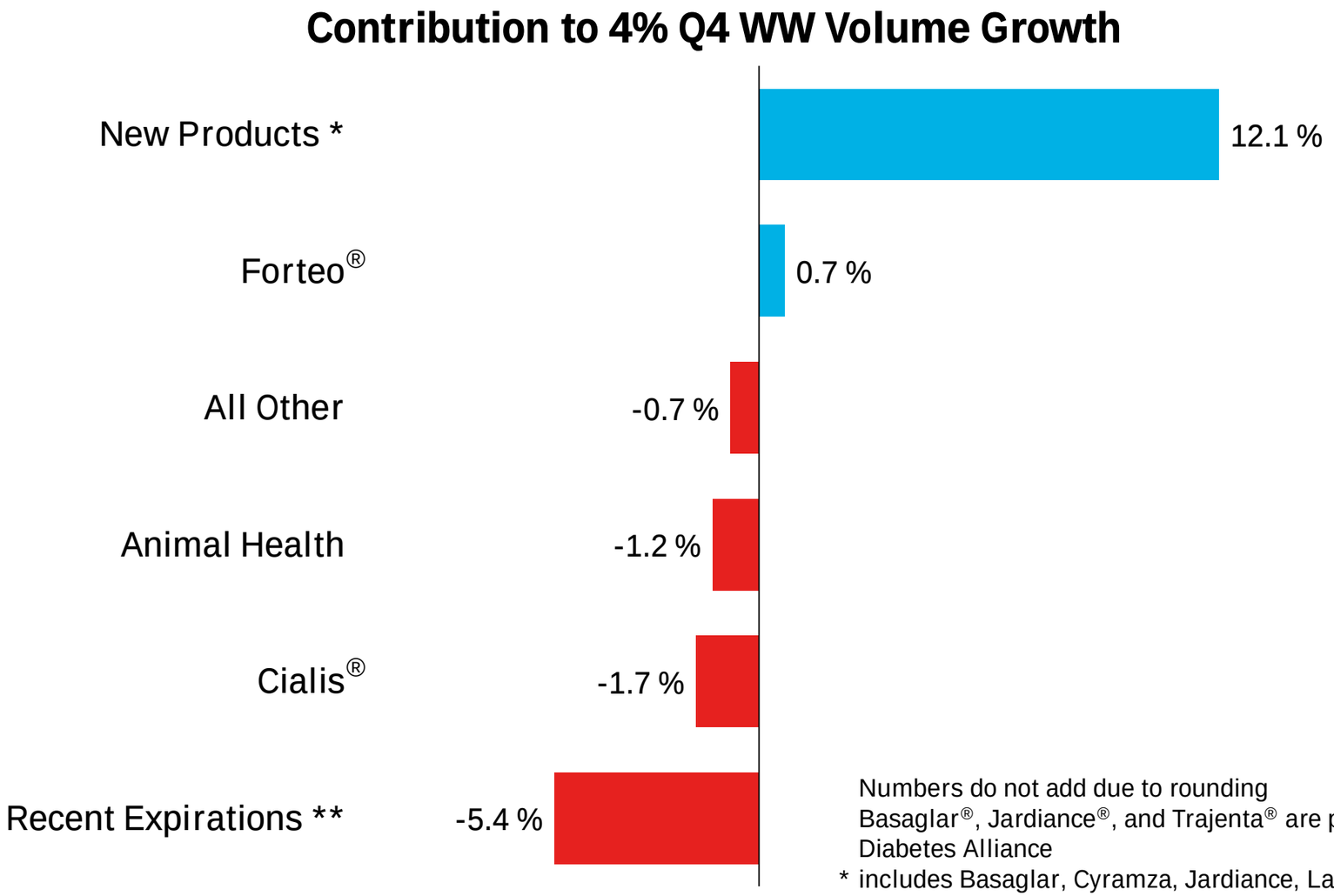
Millions

	2017					
Pharmaceuticals	**Amount**	**Price**	**FX Rate**	**Volume**	**Total**	**CER**
U.S.	$11,273.9	6%	-	8%	13%	13%
Europe	3,390.6	(2%)	1%	6%	5%	5%
Japan	2,339.5	(1%)	(3%)	8%	4%	7%
Rest of World	2,781.6	(1%)	(1%)	7%	5%	5%
Total Pharma	19,785.7	3%	(0%)	7%	10%	10%
Animal Health	3,085.6	0%	0%	(3%)	(2%)	(3%)
Total Revenue	**$22,871.3**	2%	(0%)	6%	8%	8%

Note: Numbers may not add due to rounding.

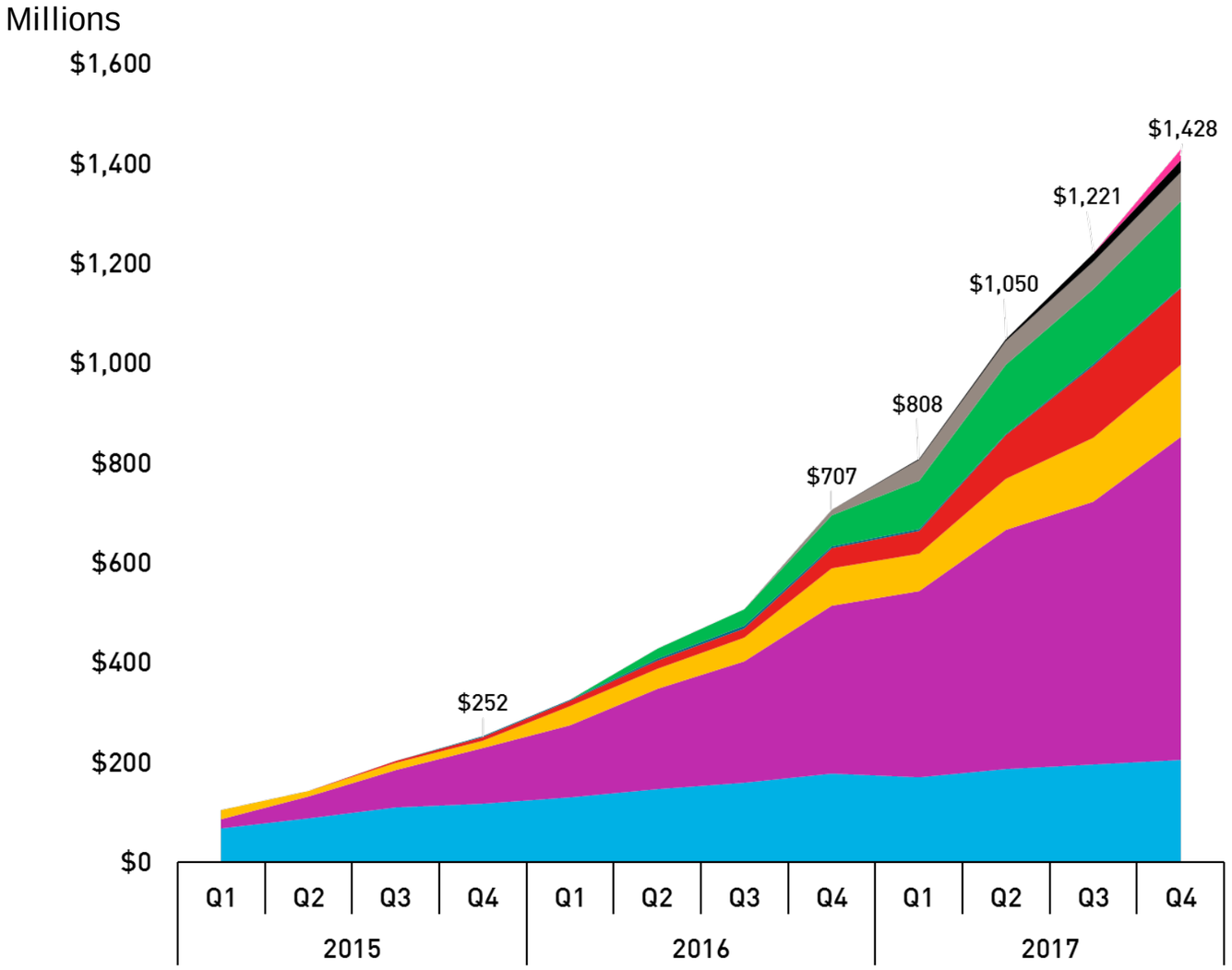
CER = price change + volume change

NEW PRODUCTS DRIVING WW REVENUE GROWTH



Numbers do not add due to rounding
Basaglar®, Jardiance®, and Trajenta® are part of the Boehringer Ingelheim and Lilly Diabetes Alliance
* includes Basaglar, Cyramza, Jardiance, Lartruvo™, Olumiant®, Portrazza®, Taltz, Trulicity®, and Verzenio™
** includes Axiron®, Cymbalta®, Effient®, Evista®, Strattera®, and Zyprexa®

UPDATE ON NEW PRODUCT LAUNCH PROGRESS



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

VERZENIO
- Launched in U.S. in Q4 2017
- U.S. NBRx at 11%

OLUMIANT
- Strong early uptake in Germany; Launched in Japan in Q3 2017

LARTRUVO
- Strong uptake in U.S.; European launches ongoing

TALTZ
- IL-17 NBRx class growth over 26% in dermatology
- Launched in active psoriatic arthritis January 2018 in U.S.

BASAGLAR
- U.S. TRx above Tresiba and Toujeo

JARDIANCE
- Market leader in U.S. NBRx with over 50% SOM
- SGLT2 TRx class growth in U.S. in the low-teens

TRULICITY
- U.S. Endo NBRx SOM approximately 40%
- GLP-1 class TRx growing nearly 23% in U.S. due to PCP adoption

CYRAMZA
- Nearly 66% SOM in 2nd-line metastatic gastric cancer in Japan
- U.S. market leader in 2nd-line metastatic gastric cancer

EFFECT OF FOREIGN EXCHANGE ON 2017 RESULTS

Year-on-Year Growth

	Q4 2017		2017	
Reported	**With FX**	**w/o FX**	**With FX**	**w/o FX**
Total Revenue	7%	6%	8%	8%
Cost of Sales	11%	1%	7%	3%
Gross Margin	6%	8%	8%	10%
Operating Expense	26%	25%	21%	21%
Operating Income	(74)%	(68)%	(38)%	(32)%
EPS	NM	NM	NM	NM
Non-GAAP				
Total Revenue	7%	6%	8%	8%
Cost of Sales	11%	0%	8%	3%
Gross Margin	6%	8%	8%	10%
Operating Expense	0%	(0)%	1%	2%
Operating Income	20%	33%	24%	32%
EPS	20%	32%	22%	29%

2018 GUIDANCE

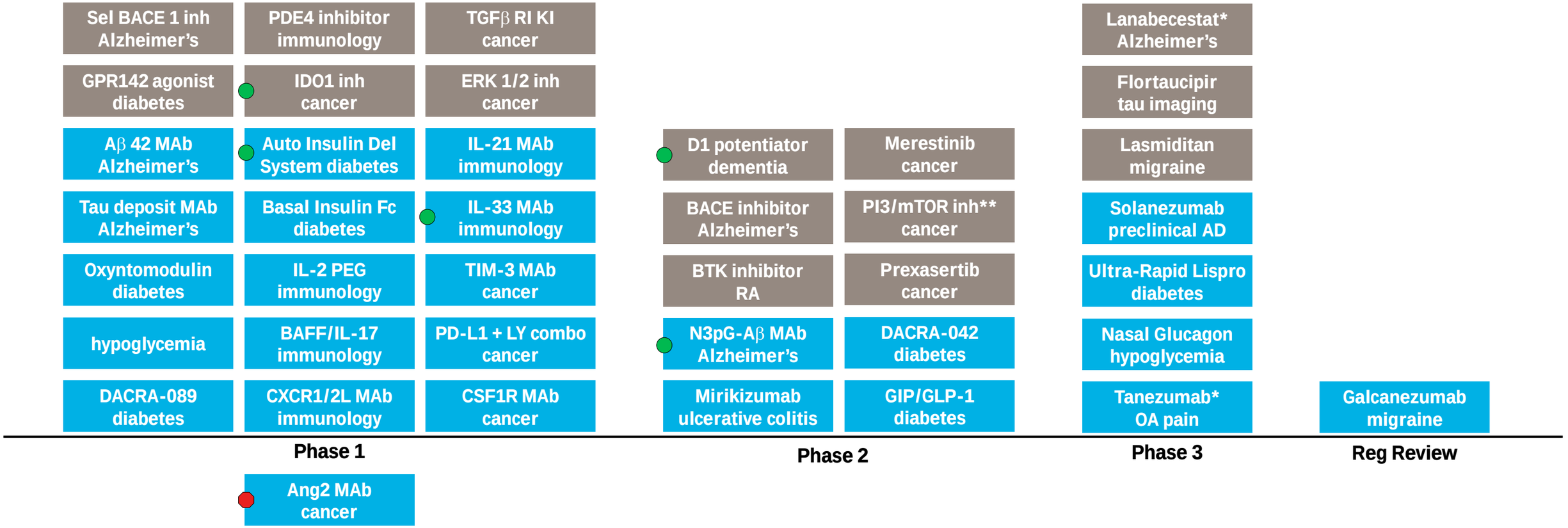
	Prior	Updated	Comments
Total Revenue	$23.0 - $23.5 billion	unchanged	
Gross Margin % (GAAP)	Approx. 73.0%	unchanged	
Gross Margin % (non-GAAP)	Approx. 75.0%	unchanged	
Mktg, Selling & Admin.	$6.1 - $6.4 billion	unchanged	
Research & Development	$5.0 - $5.2 billion	unchanged	
Other Income/(Expense)	$75 - $175 million	unchanged	
Tax Rate (GAAP)	Approx. 20.5%	Approx. 18.0%	Reflects estimated effects of U.S. tax reform
Tax Rate (non-GAAP)	Approx. 21.5%	Approx. 18.0%	Reflects estimated effects of U.S. tax reform
Earnings per Share (GAAP)	$4.24 - $4.34	$4.39 - $4.49	Reflects estimated effects of U.S. tax reform
Earnings per Share (non-GAAP)	$4.60 - $4.70	$4.81 - $4.91	Reflects estimated effects of U.S. tax reform
Capital Expenditures	Approx. $1.2 billion	unchanged	

FX rates for current guidance:

- Euro at 1.18
- Yen at 113
- Pound at 1.34

LILLY SELECT NME PIPELINE

JANUARY 24, 2018



New Chemical Entity (NCE)

New Biotech Entity (NBE)

MOVEMENT SINCE OCTOBER 17, 2017: Achieved milestone Attrition New molecule

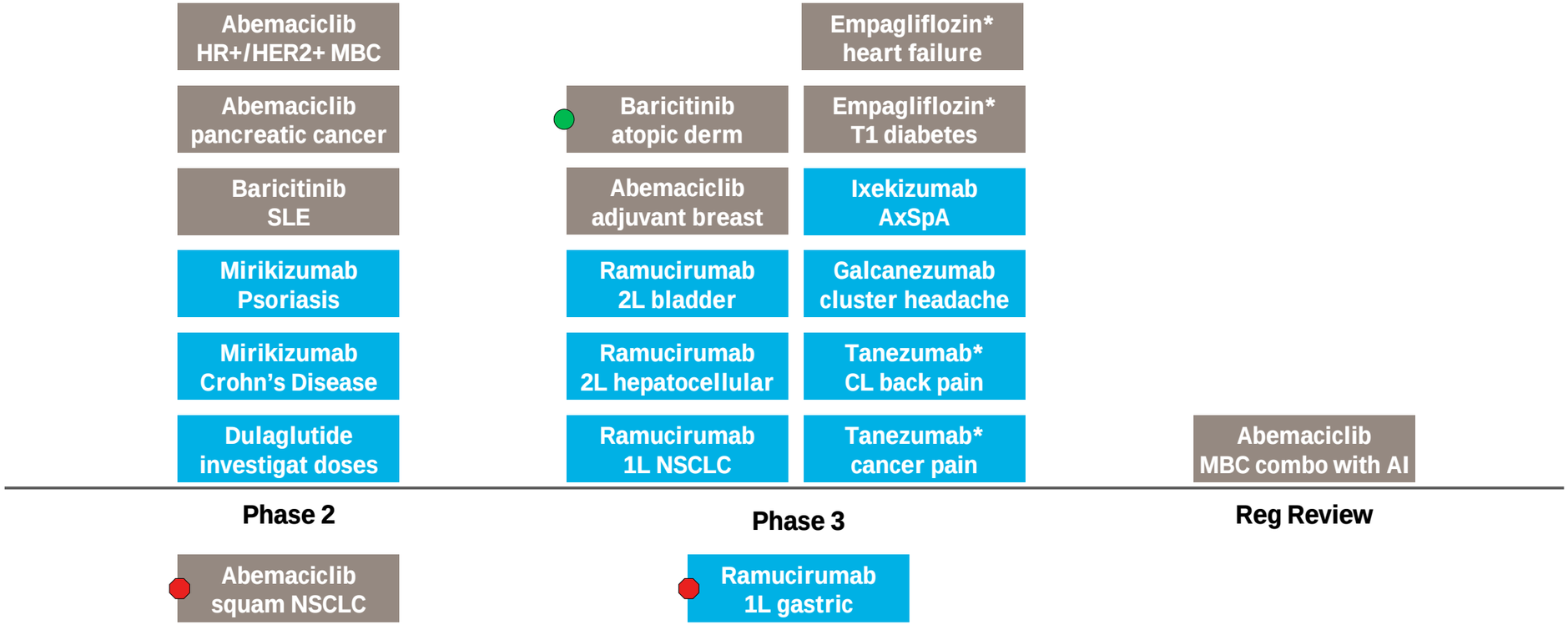
*Commercial collaborations

**For development in combinations

LILLY SELECT NILEX PIPELINE

JANUARY 24, 2018

Select NILEX in Phase 2 development or later for NMEs that have progressed to Phase 2 or later or have launched for a lead indication



New Chemical Entity (NCE)

New Biotech Entity (NBE)

MOVEMENT SINCE OCTOBER 17, 2017: Achieved milestone Attrition New molecule

*Commercial collaborations

POTENTIAL KEY EVENTS 2017

PHASE 3 INITIATIONS

- Ultra-rapid insulin for diabetes
- Baricitinib for psoriatic arthritis (now expected 2018)
- Empagliflozin for heart failure (HFrEF)[1]
- Empagliflozin for heart failure (HFpEF)[1]
- Abemaciclib for adjuvant breast cancer (monarchE)
- Baricitinib for atopic dermatitis

PHASE 3 DATA INTERNAL READOUTS

- Flortaucipir (18F AV-1451) tau imaging agent (now expected 2018)
- Abemaciclib JUNIPER study
- Ramucirumab RAINFALL 1L gastric (initial PFS readout)
- Ramucirumab RAINFALL 1L gastric (final analysis)
- Alimta®+platinum+Keytruda® in 1L nonsquam NSCLC (KN-189)[2]

PHASE 3 DATA EXTERNAL DISCLOSURES

- Galcanezumab for migraine prevention
- Lasmiditan SPARTAN study
- Lasmiditan SAMURAI study
- Abemaciclib MONARCH 2 study
- Abemaciclib MONARCH 3 study
- Ramucirumab RANGE 2L bladder cancer (PFS readout)

REGULATORY SUBMISSIONS

- Galcanezumab for migraine prevention (US)
- Abemaciclib for advanced breast cancer (MONARCH 1) (US)
- Abemaciclib + fulvestrant for 2L breast cancer (MONARCH 2) (US/EU/J)
- Abemaciclib + AIs for 1L breast cancer (MONARCH 3) (US/EU/J)
- Fruquintinib for 3L metastatic colorectal cancer (China)[3]
- Ixekizumab for psoriatic arthritis (US/EU)
- Alimta sNDA to include KEYNOTE-021G data (US)
- Baricitinib resubmission for rheumatoid arthritis (US)

REGULATORY ACTIONS

- Baricitinib for rheumatoid arthritis (US/EU/J)
- Ixekizumab for psoriatic arthritis (US)
- Abemaciclib for advanced breast cancer (MONARCH 1 & 2) (US)
- Alimta+carbo+Keytruda in 1L nonsquam NSCLC (KN-021G) (US)[2, 4]

OTHER

- Closing of BI US animal health vaccines acquisition
- Closing of CoLucid Pharmaceuticals acquisition
- Pediatric exclusivity for Cialis
- Rulings in ongoing Alimta patent litigation:
  - US CAFC
  - US IPRs
  - UK
  - Japan
  - Germany (now expected in 2018)

[1] in collaboration with Boehringer Ingelheim
[2] in collaboration with Merck
[3] in collaboration with Hutchison China MediTech
[4] KN-021G is a Merck sBLA filing for Keytruda

POTENTIAL KEY EVENTS 2018

PHASE 3 INITIATIONS

- Baricitinib for psoriatic arthritis
- Mirikizumab for psoriasis
- Mirikizumab for ulcerative colitis
- Dulaglutide alternate doses for type 2 diabetes
- Empagliflozin for chronic kidney disease[1]

PHASE 3 DATA INTERNAL READOUTS

- Flortaucipir (18F AV-1451) tau imaging agent
- Tanezumab for osteoarthritis pain (dosing study)[2]
- Tradjenta CAROLINA CV outcomes study[1]
- Trulicity REWIND CV outcomes study
- Ultra rapid insulin for type 1 and type 2 diabetes
- Ramucirumab RANGE for 2L bladder cancer (final analysis)
- Ramucirumab RELAY for 1L EGFR NSCLC cancer (PFS readout)

PHASE 3 DATA EXTERNAL DISCLOSURES

- Galcanezumab for cluster headache
- Ixekizumab for axial spondlyoarthritis
- Empagliflozin for type 1 diabetes[1]
- Tradjenta CARMELINA CV outcomes study[1]
- Ramucirumab REACH 2 in 2L high AFP hepatocellular cancer
- Alimta+platinum+Keytruda in 1L nonsquamous NSCLC (KN-189)[3]

REGULATORY SUBMISSIONS

- Lasmiditan for acute migraine
- Empagliflozin + linagliptin + metformin XR (US)[1]
- Nasal glucagon for hypoglycemia

REGULATORY ACTIONS

- Baricitinib for rheumatoid arthritis (US)
- Galcanezumab for migraine prevention
- Ixekizumab for psoriatic arthritis (EU)
- Abemaciclib + fulvestrant for 2L breast cancer (MONARCH 2) (EU/J)
- Abemaciclib + AIs for 1L breast cancer (MONARCH 3) (US/EU/J)
- Alimta sNDA to include KEYNOTE-021G data (US)[3]
- Fruquintinib for 3L metastatic colorectal cancer (China)[4]

OTHER

- Rulings in ongoing Alimta patent litigation:
  - US IPR Appeal to CAFC
  - US alternative salt forms
  - Japan (Nipro)
  - Germany

[1] in collaboration with Boehringer Ingelheim
[2] in collaboration with Pfizer
[3] in collaboration with Merck
[4] in collaboration with Hutchison China MediTech

2017 SUMMARY

- 2017 revenue growth of 8%, driven by volume and new products
- Excluding FX, EPS growth of 29% and operating margin expansion of 450 basis points
- Pipeline milestones included: approval and launch of Olumiant in the EU and Japan, Verzenio in the U.S., and Taltz for PsA in the U.S.
- Progress on our innovation-based strategy included: positive Phase 3 data for galcanezumab, lasmiditan, and a strengthened early-phase portfolio via business development

GROW REVENUE

- Minimum average annual revenue growth of 5% in constant currency from 2015 through 2020

EXPAND MARGINS

- Excluding FX on int'l inventories sold, minimum operating margin % of revenue of 30% in 2020

SUSTAIN FLOW OF INNOVATION

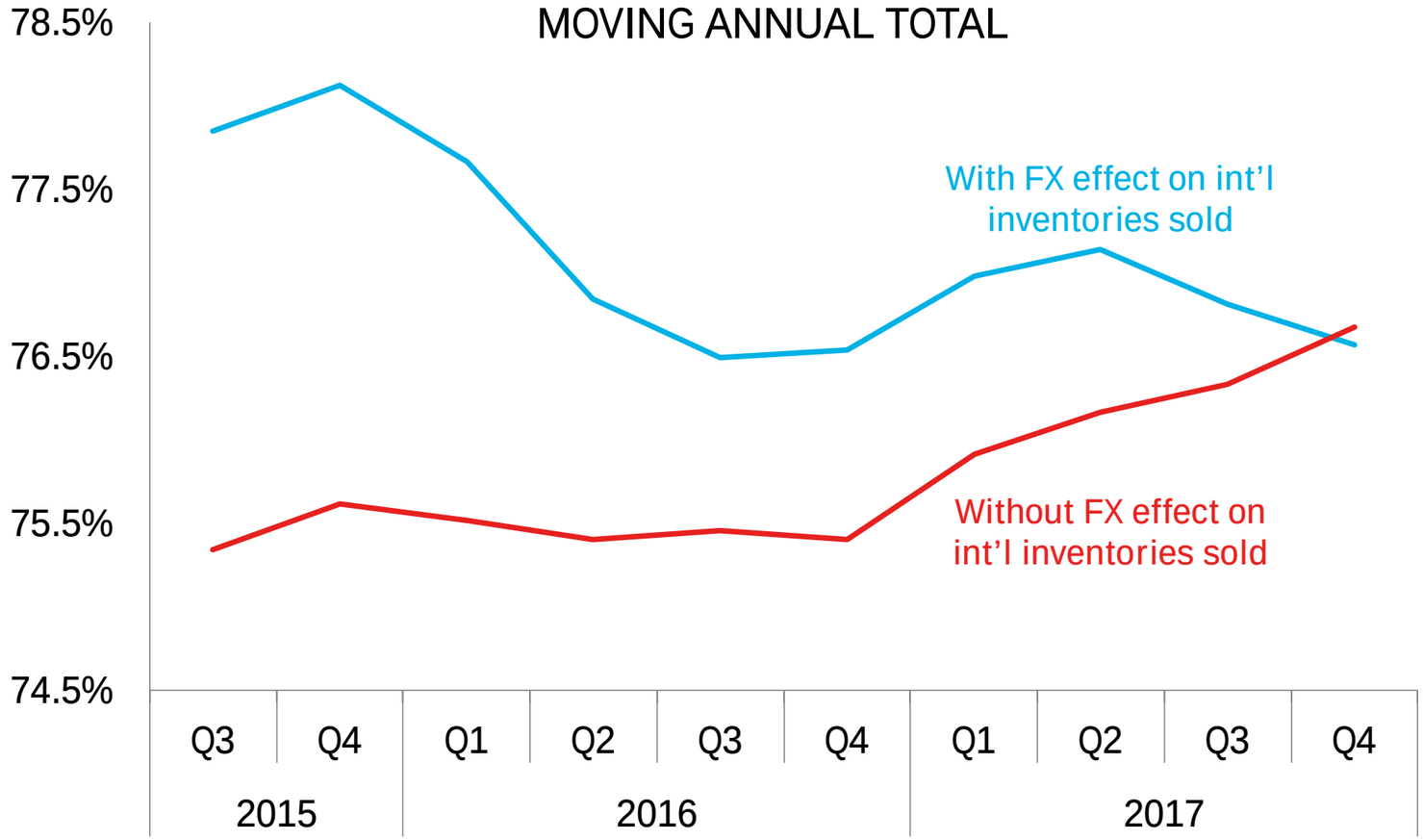
- Potential to launch 20+ new molecules in 10 years (2014-2023)
- On average, could launch 2+ new indications or line extensions per year

DEPLOY CAPITAL TO CREATE VALUE

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

Supplementary Slides

NON-GAAP GROSS MARGIN % OF REVENUE



Individual quarter GM % of Revenue:

with FX effect on int'l inv sold	77.8%	77.3%	76.3%	76.0%	76.4%	77.4%	78.1%	76.7%	75.1%	76.5%
w/o FX effect on int'l inv sold	75.2%	75.7%	74.9%	75.7%	75.5%	75.5%	77.1%	76.6%	76.2%	76.8%

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.

Q4 2017 INCOME STATEMENT NOTES

Q4 2017 NON-GAAP INFORMATION HAS BEEN ADJUSTED TO ELIMINATE:

- tax charge of $1.914 billion, or $1.81 per share, for U.S. tax reform legislation, including the one-time repatriation transition tax also known as the “toll tax”;
- asset impairment, restructuring and other special charges of $1.003 billion (pretax), or $0.75 per share (after-tax), primarily associated with the U.S. voluntary early retirement program and other efforts to reduce the company’s cost structure;
- amortization of intangible assets primarily associated with costs of marketed products acquired or licensed from third parties totaling $164.7 million (pretax), or $0.11 per share (after-tax);
- an acquired in-process research and development charge of $50.0 million (pretax), or $0.03 per share (after-tax), associated with a strategic collaboration with CureVac to co-develop potential cancer vaccine products; and
- inventory step-up costs associated with the acquisition of Boehringer Ingelheim Vetmedica’s U.S. feline, canine, and rabies vaccine portfolio totaling $10.7 million (pretax), or $0.01 per share (after-tax).

Q4 2016 NON-GAAP INFORMATION HAS BEEN ADJUSTED TO ELIMINATE:

- charges primarily associated with global severance costs and integration costs related to the acquisition of Novartis Animal Health totaling $147.6 million (pretax), or $0.10 per share (after-tax);
- amortization of intangible assets primarily associated with costs of marketed products acquired or licensed from third parties totaling $164.5 million (pretax), or $0.11 per share (after-tax); and
- an acquired in-process research and development charge of $30.0 million (pretax), or $0.02 per share (after-tax), related to an agreement with AstraZeneca to co-develop MEDI1814.

YTD 2017 INCOME STATEMENT NOTES

YTD 2017 NON-GAAP INFORMATION HAS BEEN ADJUSTED TO ELIMINATE:

- tax charge of $1.914 billion, or $1.81 per share, for U.S. tax reform legislation, including the one-time repatriation transition tax also known as the “toll tax”;
- asset impairment, restructuring and other special charges of $1.674 billion (pretax), or $1.23 per share (after-tax), primarily associated with the U.S. voluntary early retirement program and other efforts to reduce the company’s cost structure;
- amortization of intangible assets primarily associated with costs of marketed products acquired or licensed from third parties totaling $674.8 million (pretax), or $0.44 per share (after-tax);
- acquired in-process research and development charges related to the acquisition of CoLucid Pharmaceuticals and the collaborations with Nektar Therapeutics, KeyBioscience and CureVac totaling $1.113 billion (pretax), or $0.97 per share (after-tax); and
- inventory step-up costs associated with the acquisition of Boehringer Ingelheim Vetmedica’s U.S. feline, canine, and rabies vaccine portfolio totaling $42.7 million (pretax), or $0.03 per share (after-tax).

YTD 2016 NON-GAAP INFORMATION HAS BEEN ADJUSTED TO ELIMINATE:

- charges associated with asset impairments related to the closure of an animal health manufacturing facility in Ireland, integration and severance costs related to the acquisition of Novartis Animal Health, and other global severance costs totaling $382.5 million (pretax), or $0.29 per share (after-tax);
- amortization of intangible assets primarily associated with costs of marketed products acquired or licensed from third parties totaling $683.3 million (pretax), or $0.44 per share (after-tax);
- an acquired in-process research and development charge related to the agreement with AstraZeneca to co-develop MEDI1814 of $30.0 million (pretax), or $0.02 per share (after-tax); and
- a charge related to the impact of the Venezuelan financial crisis, including the significant deterioration of the bolivar, totaling $203.9 million (pretax), or $0.19 per share (after-tax).

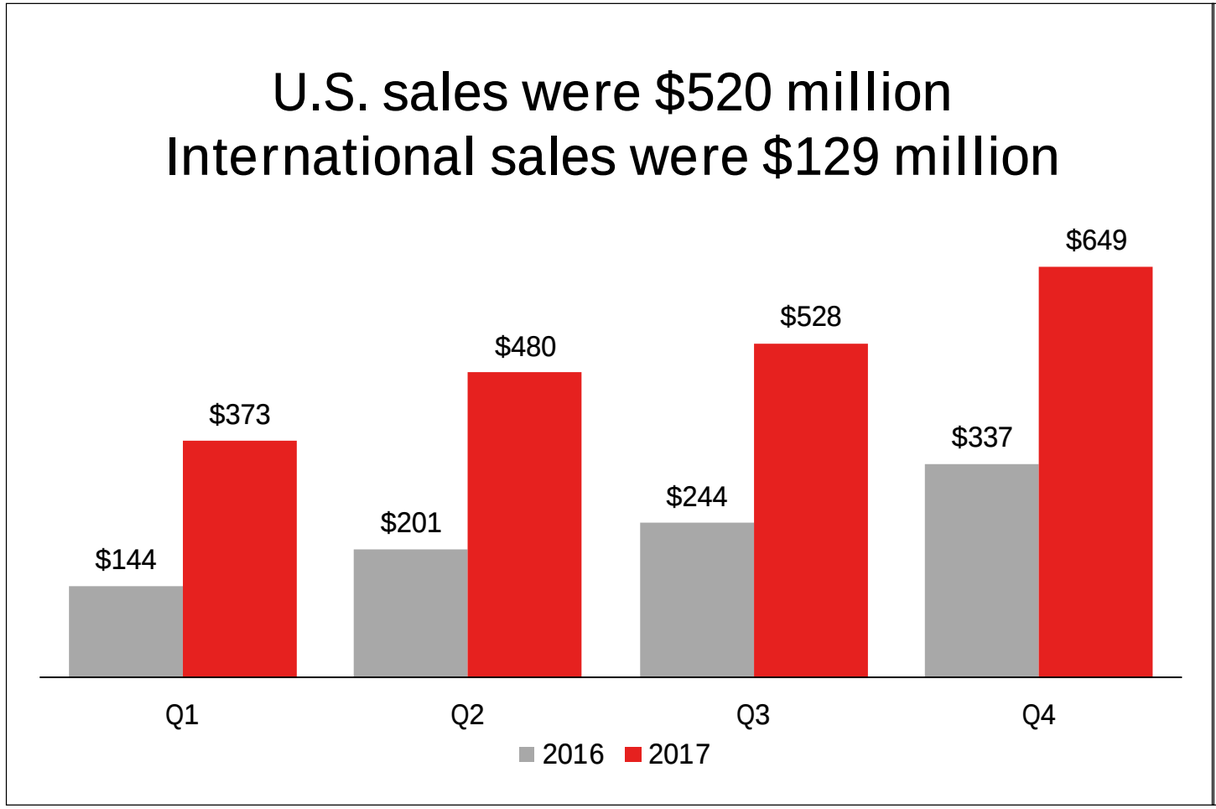
COMPARATIVE EPS SUMMARY 2016/2017

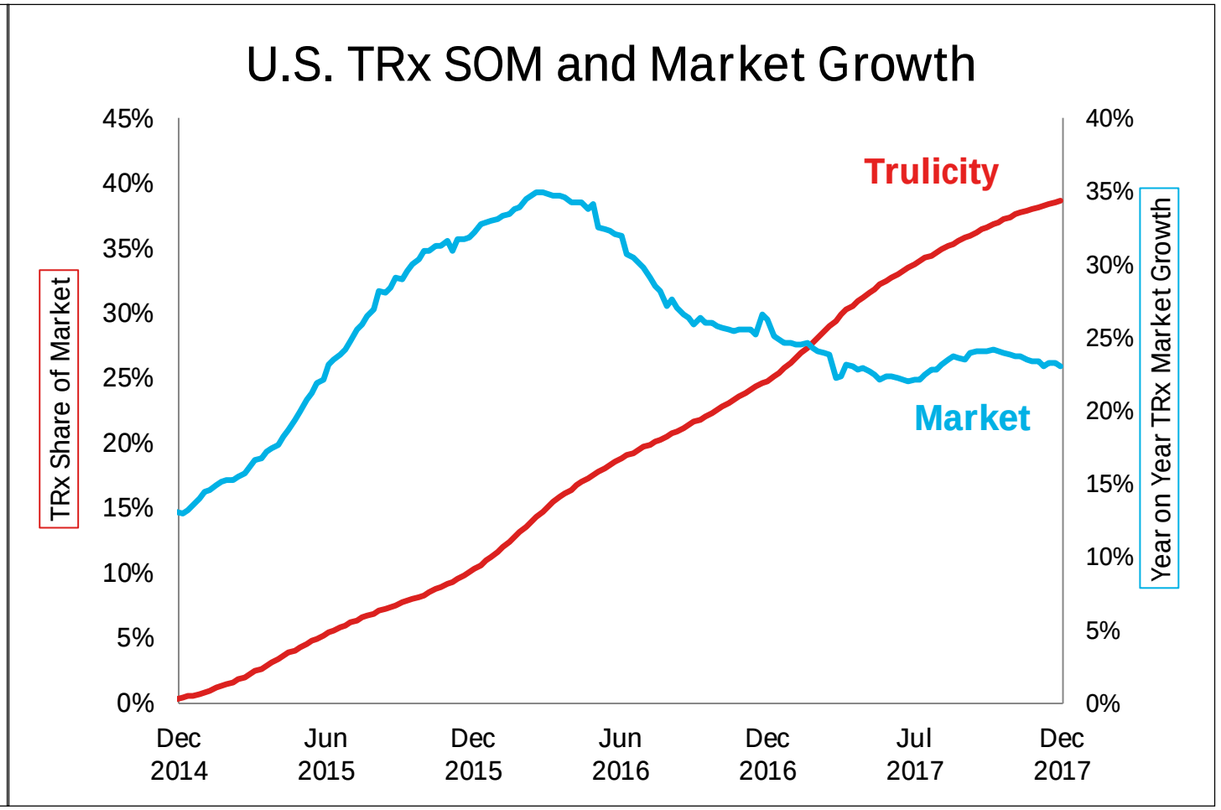
	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17	3Q17	4Q17	2017
Reported	0.41	0.71	0.73	0.73	2.58	(0.10)	0.95	0.53	(1.58)	(0.19)
Non-GAAP	0.83	0.86	0.88	0.95	3.52	0.98	1.11	1.05	1.14	4.28

Note: Numbers may not add due to rounding.
For a complete reconciliation to reported earnings, see slides 25 and 26 and our earnings press release dated January 31, 2018.

Q4 2017 TRULICITY SALES INCREASED 93%

Millions





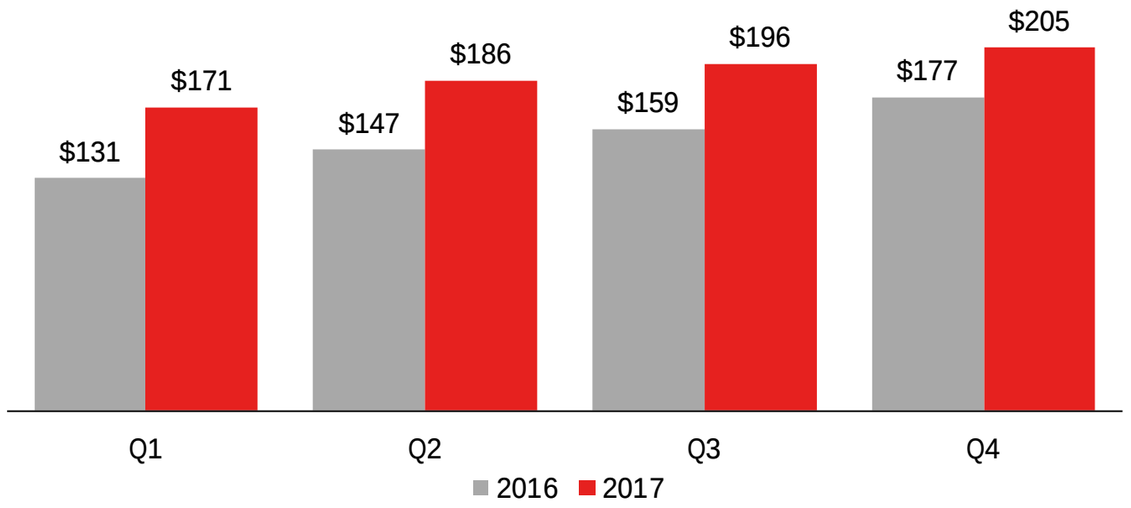
Note: Numbers may not add due to rounding.

Source: IQVIA NPA TRx 3MMA, weekly data December 29, 2017

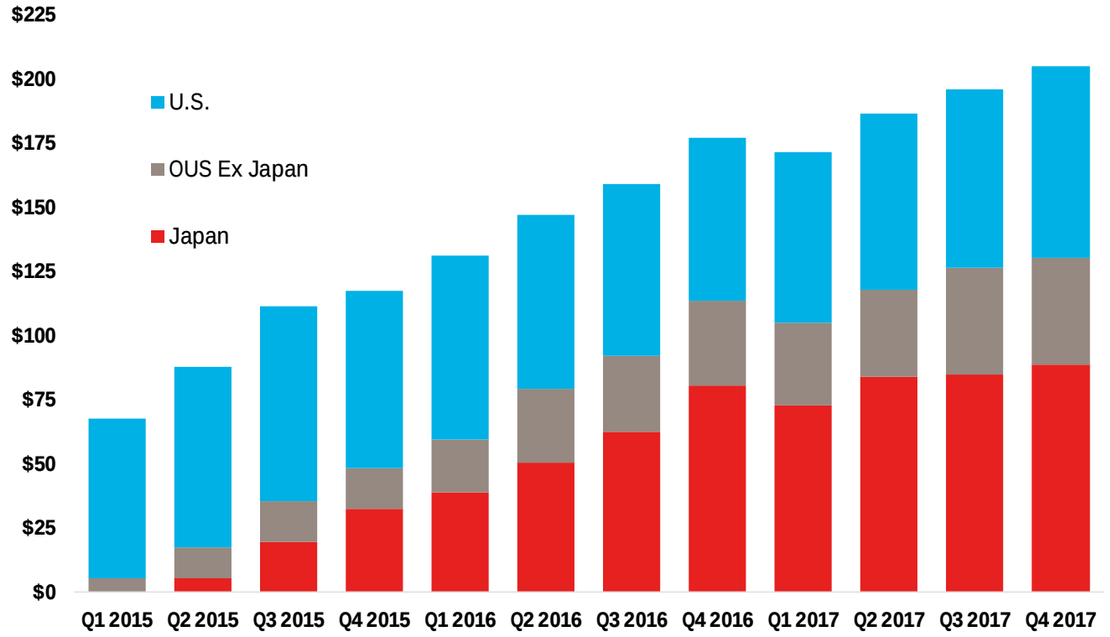
Q4 2017 CYRAMZA SALES INCREASED 16%

Millions

U.S. sales increased 17%
International sales increased 15%



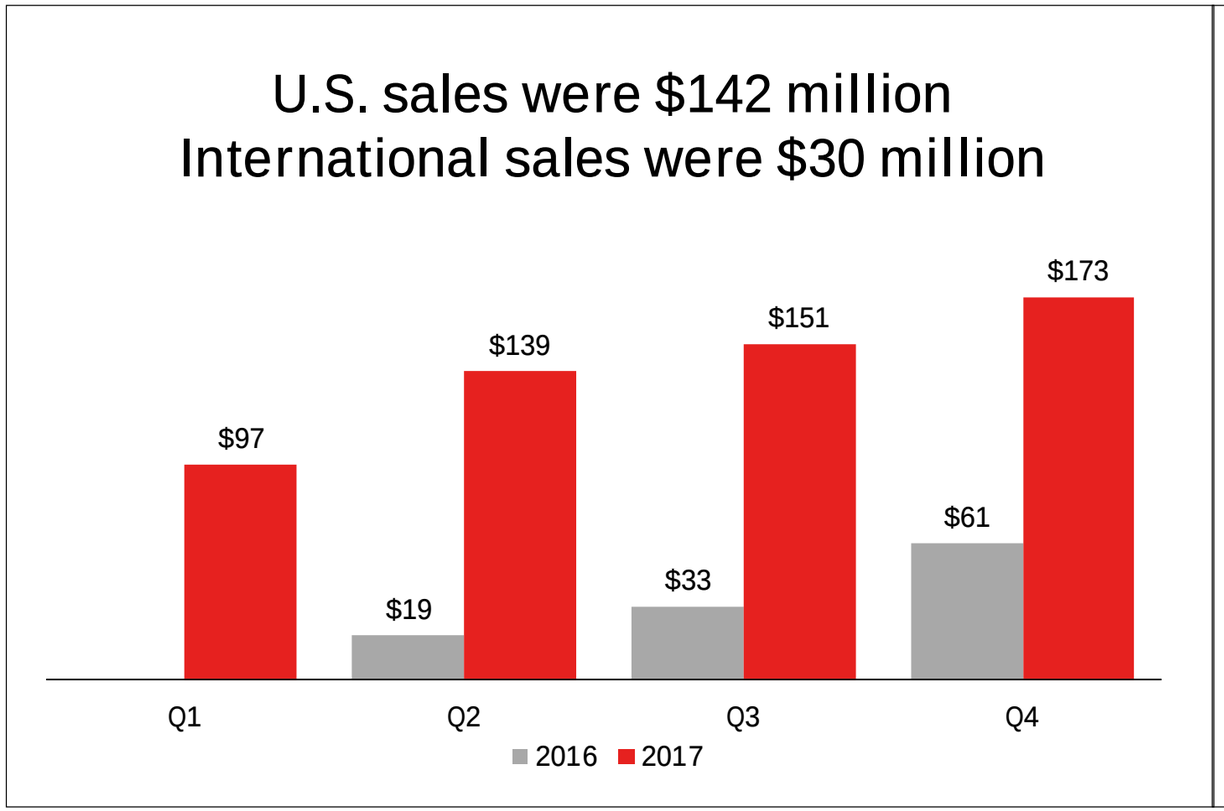
Quarterly Sales by Major Geography

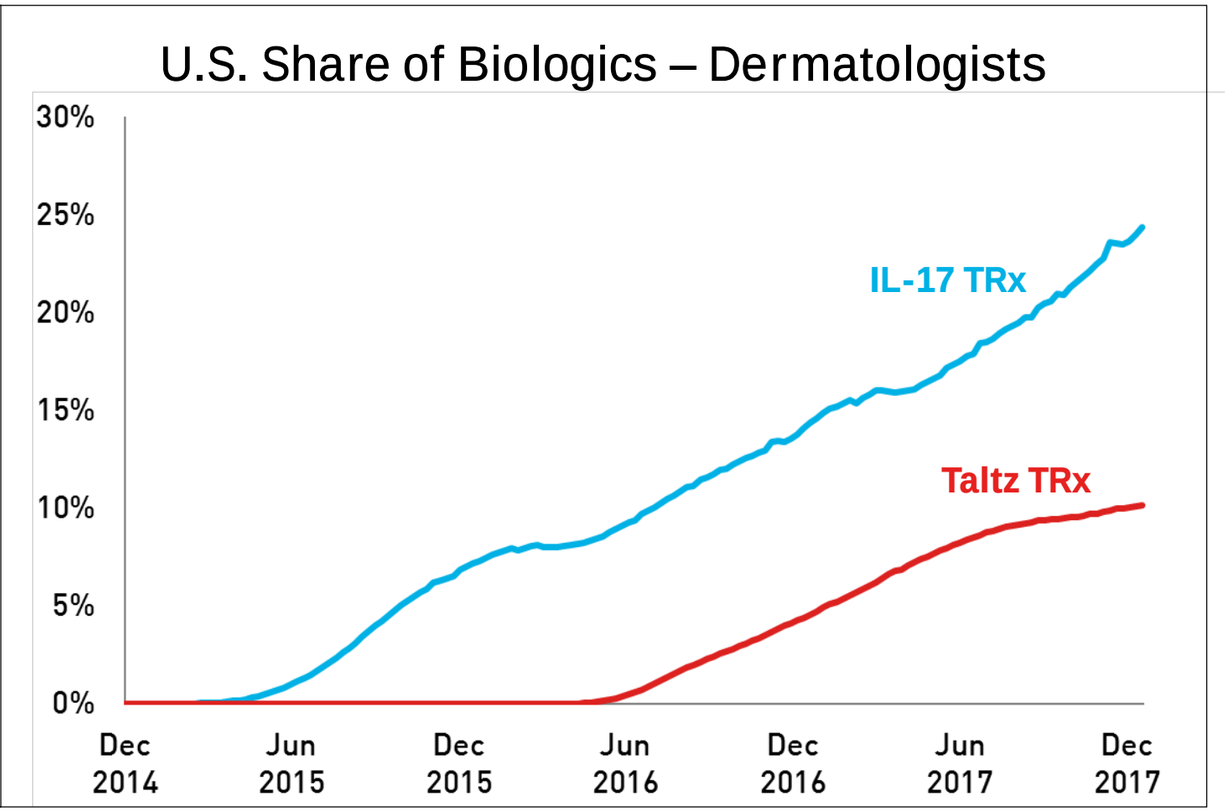


Note: Numbers may not add due to rounding.

Q4 2017 TALTZ SALES WERE $173 MILLION

Millions



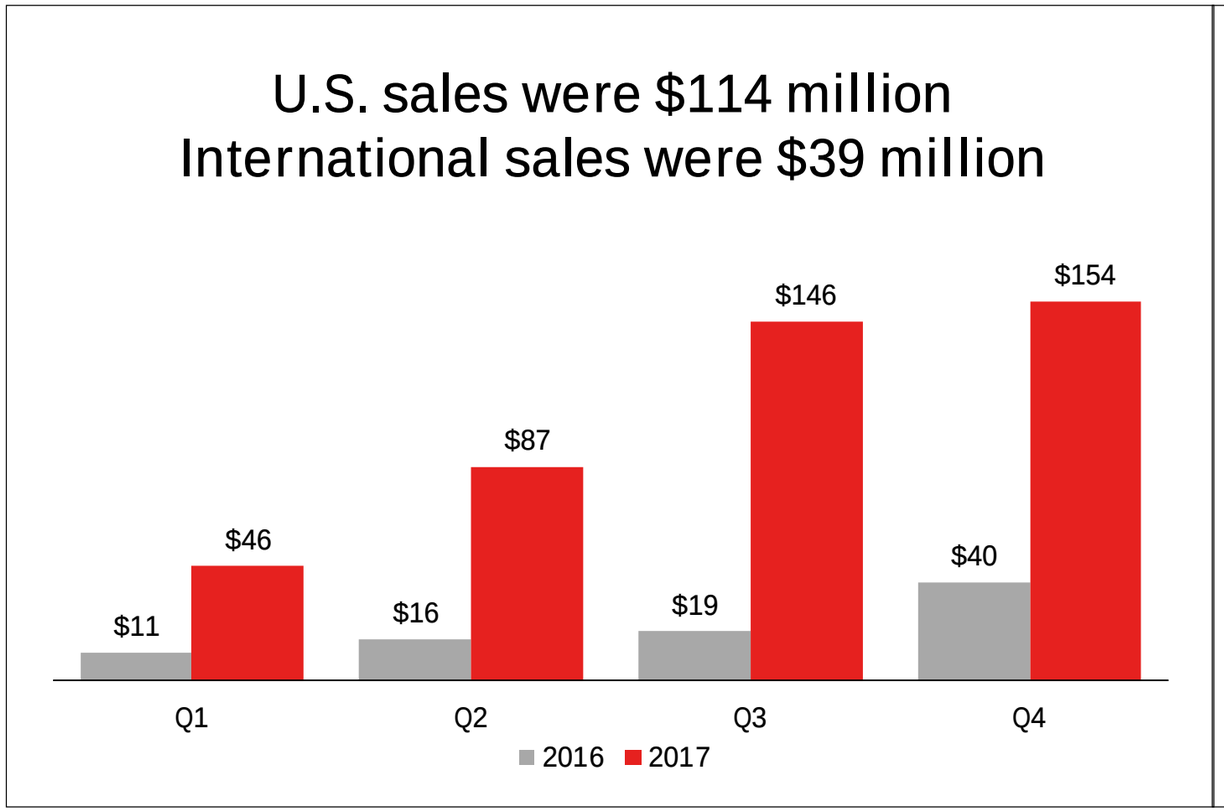


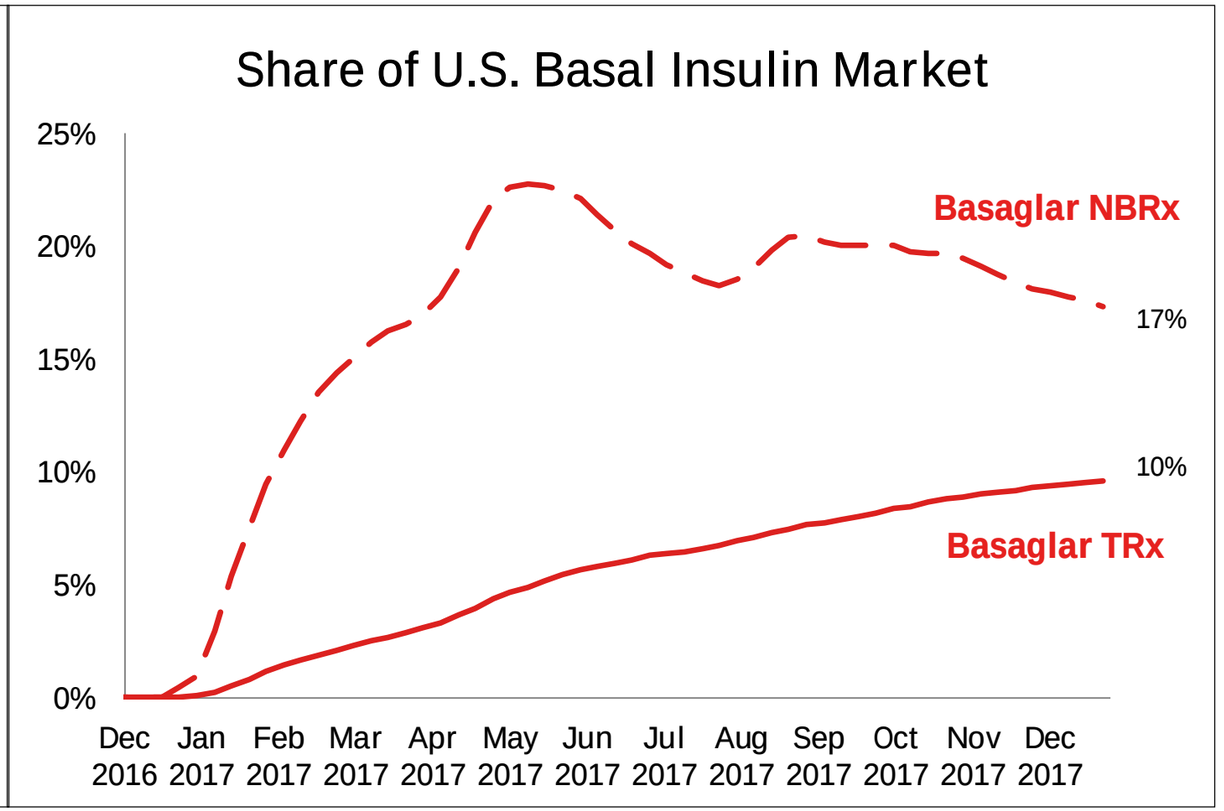
Note: Numbers may not add due to rounding.

Source: IQVIA NPA TRx 3MMA, weekly data December 29, 2017

Q4 2017 BASAGLAR SALES WERE $154 MILLION

Millions





Note: Numbers may not add due to rounding.

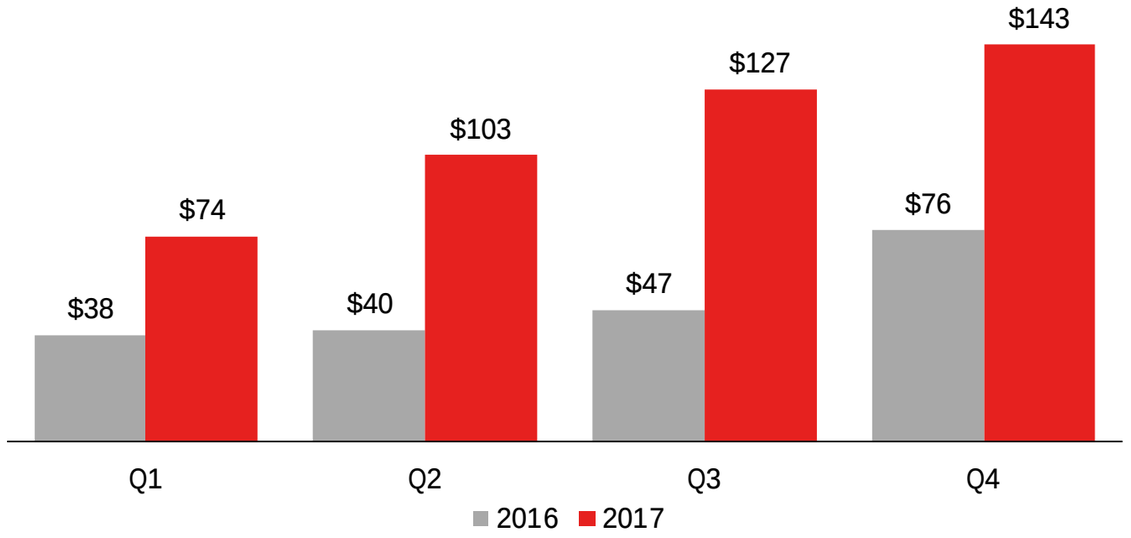
Source: IQVIA NPA TRx 3MMA, weekly data December 29, 2017

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

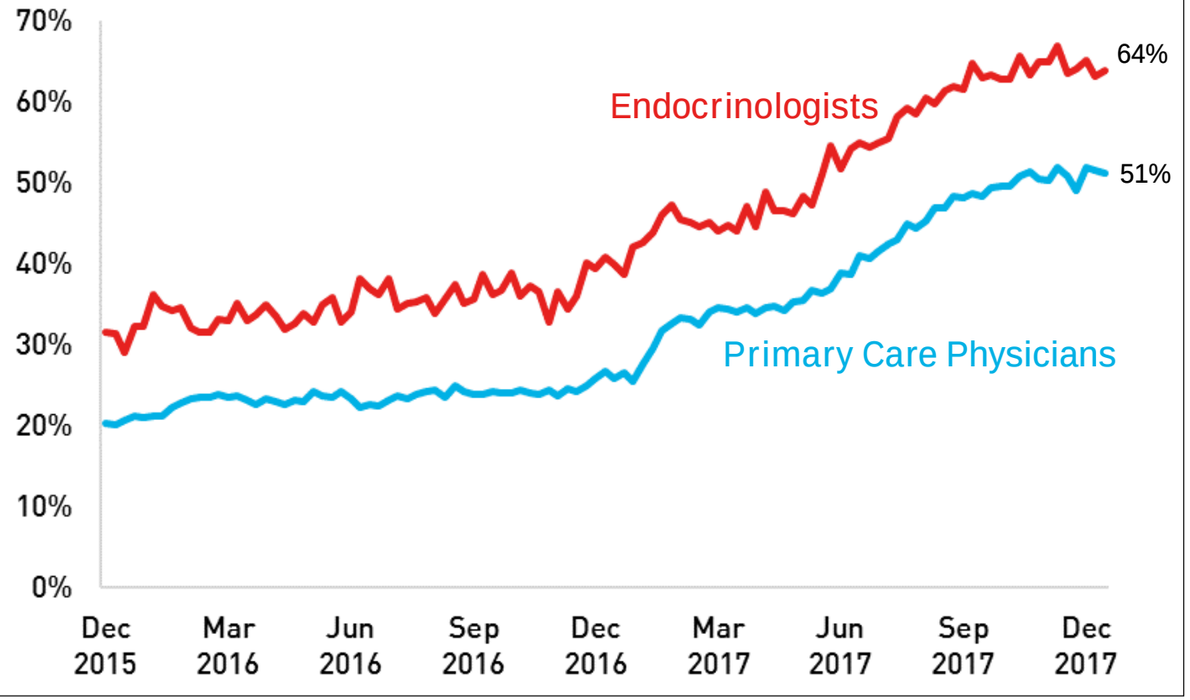
Q4 2017 JARDIANCE SALES WERE $143 MILLION

Millions

U.S. sales increased $36 million
International sales increased $31 million



U.S. New Therapy Starts (NTS Rx) SOM



Note: Numbers may not add due to rounding.

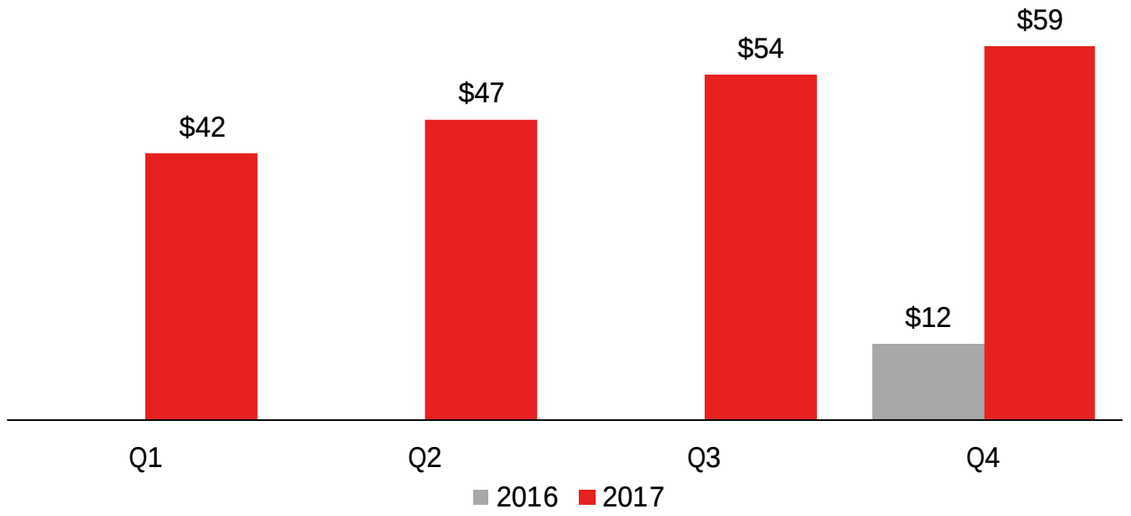
Source: IQVIA NPA TRx 3MMA, weekly data December 29, 2017

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

Q4 2017 LARTRUVO SALES WERE $59 MILLION

Millions

U.S. sales were $42 million
International sales were $17 million

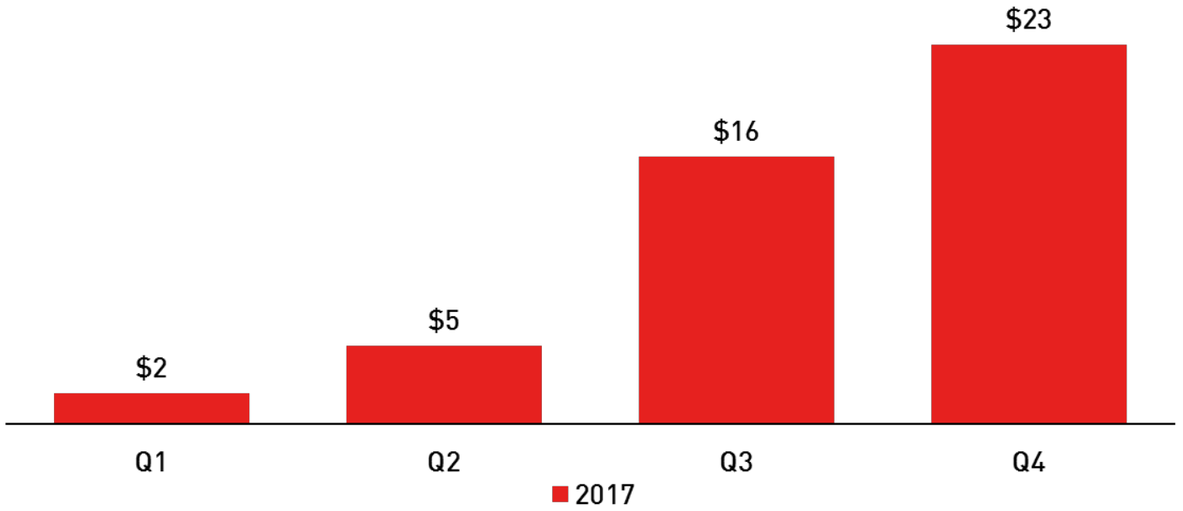


- Launched in 25 countries during 2017
- 97% of top 100 institutions in the U.S. have posted sales since launch
- Permanent J-code has been issued (Jan 2018), which we anticipate will remove any remaining access barriers to sales in top accounts
- G-BA gave “significant added value” assessment in final pricing approval
- Approved for National access in both Italy and Spain

Note: Numbers may not add due to rounding.

Q4 2017 OLUMIANT SALES WERE $23 MILLION

Millions

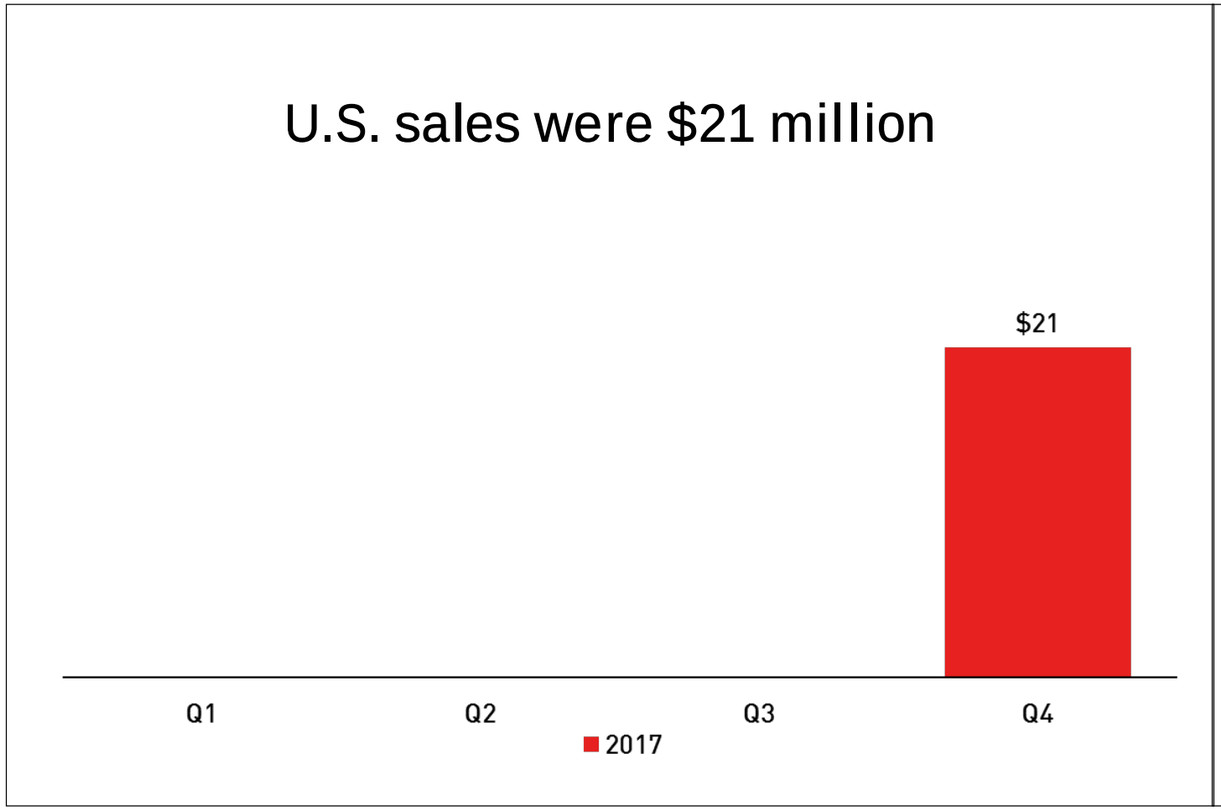


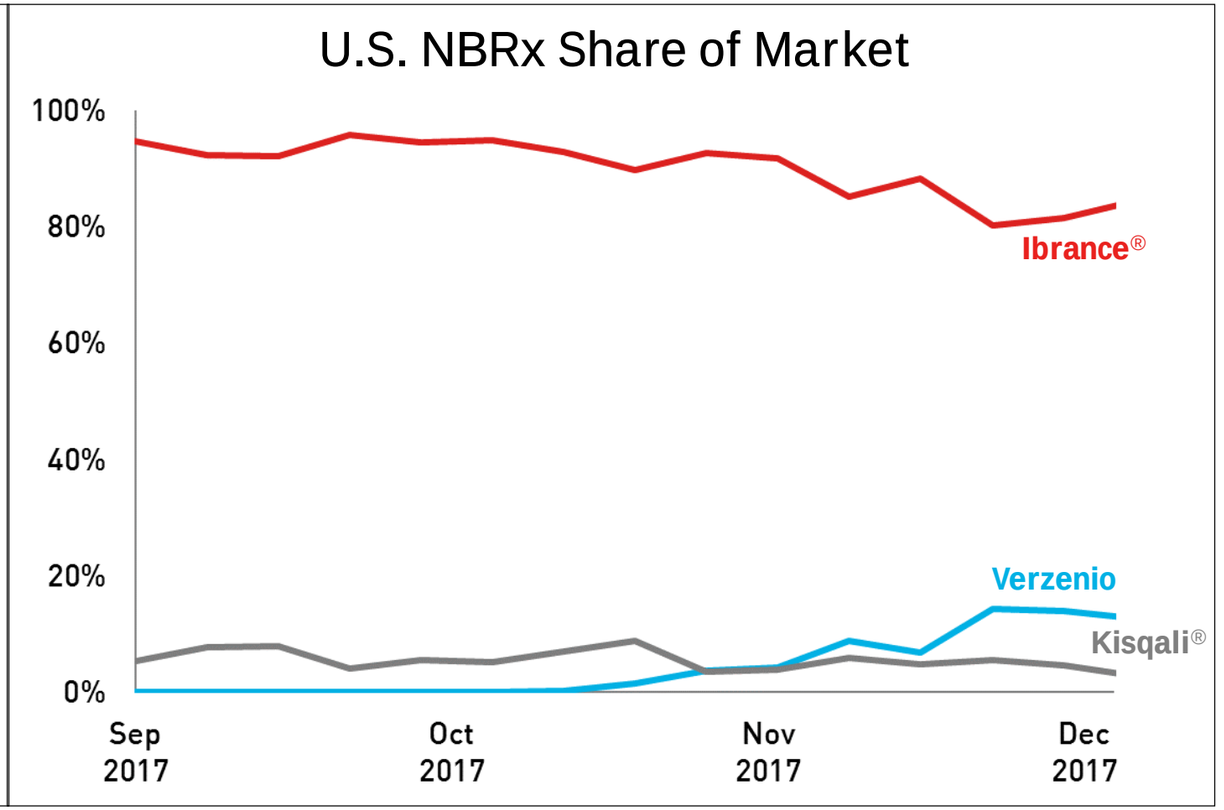
- Q4 sales driven by Europe, led by Germany
- Launched in Japan in Q3 2017

Note: Numbers may not add due to rounding.

Q4 2017 VERZENIO SALES WERE $21 MILLION

Millions



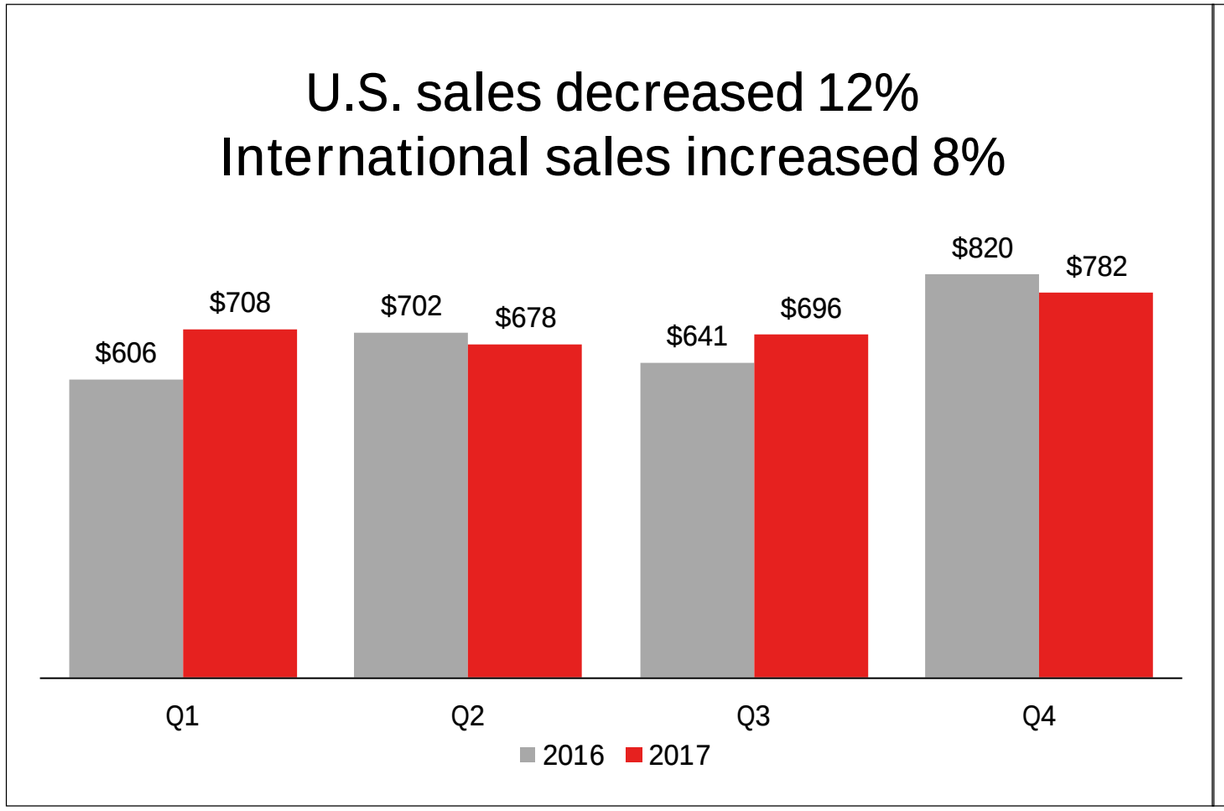


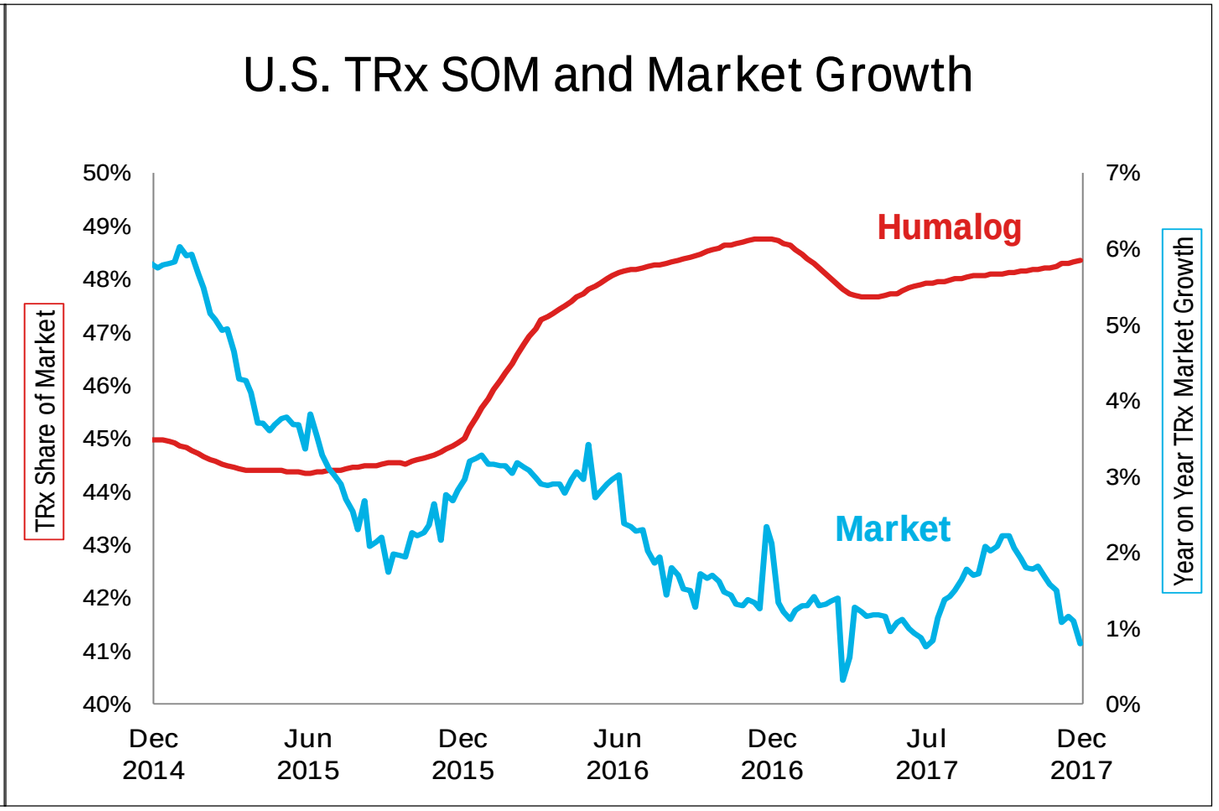
Note: Numbers may not add due to rounding.

Source: IQVIA NPA, weekly data December 29, 2017

Q4 2017 HUMALOG® SALES DECREASED 5%

Millions



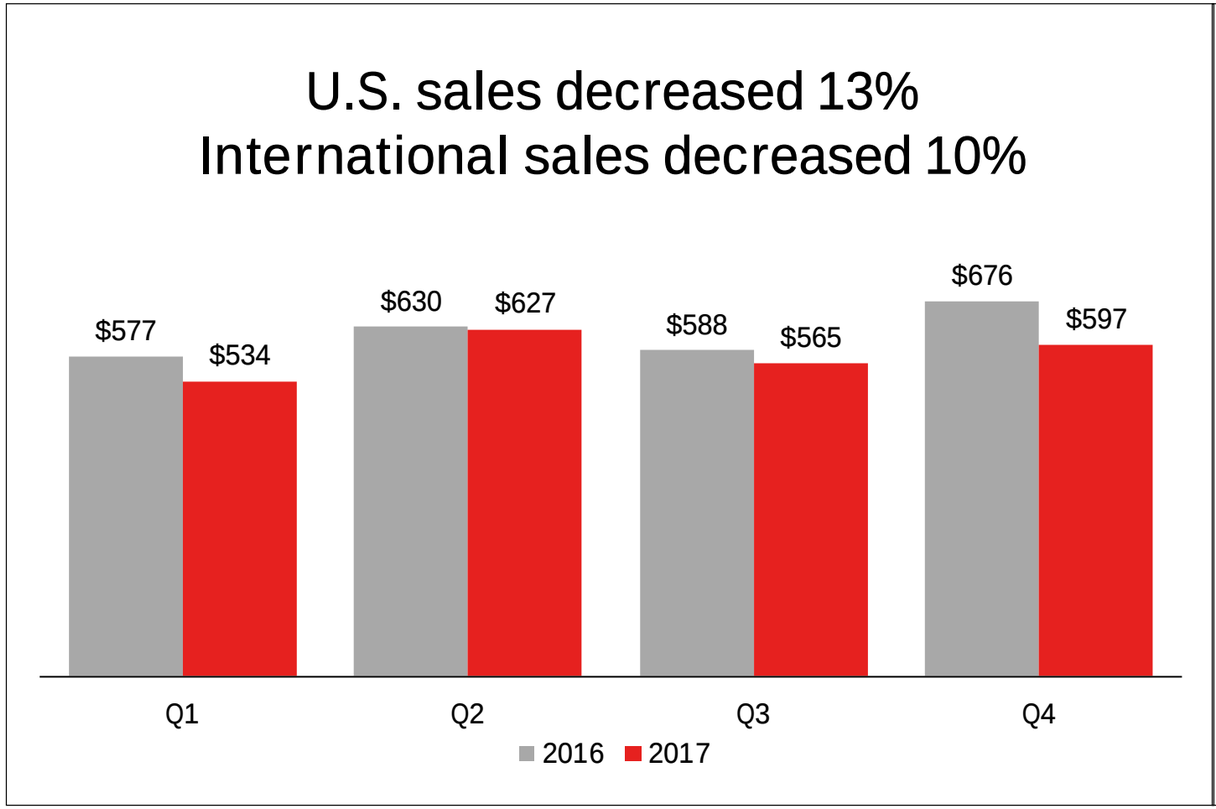


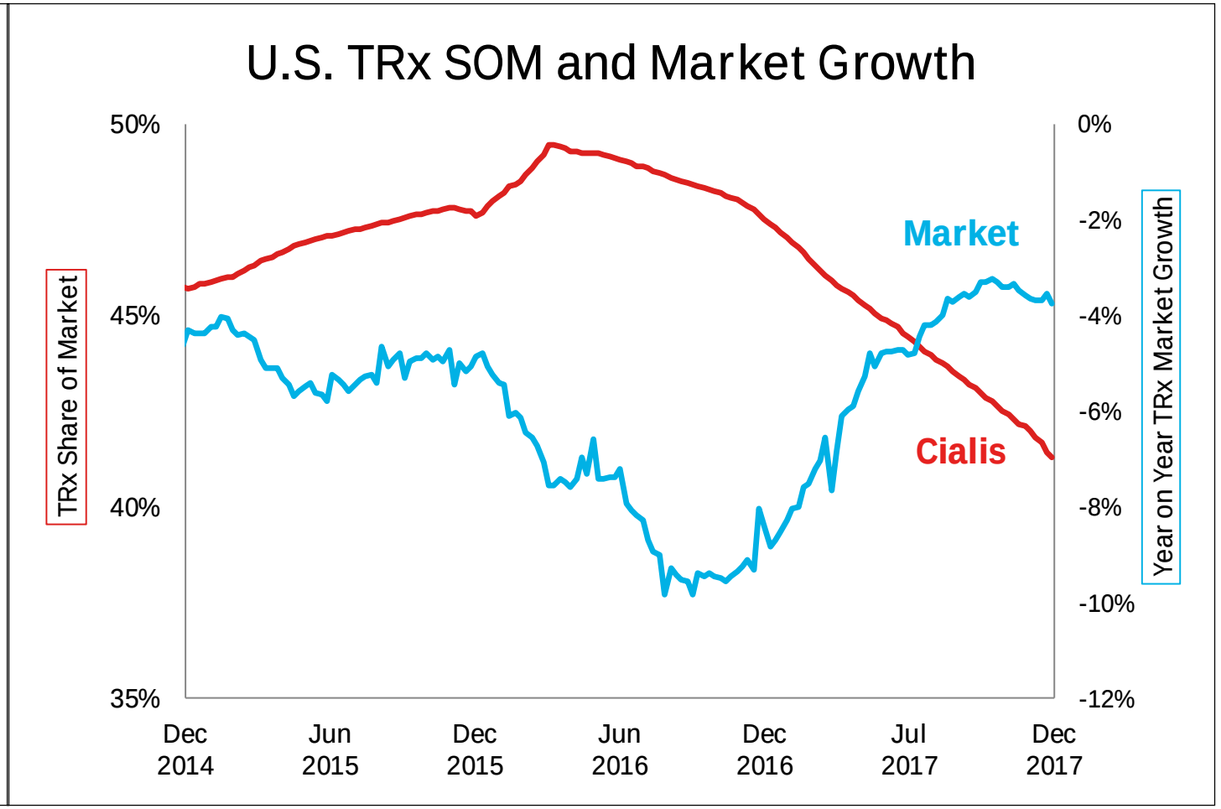
Note: Numbers may not add due to rounding.

Source: IQVIA NPA TRx 3MMA, weekly data December 29, 2017

Q4 2017 CIALIS SALES DECREASED 12%

Millions





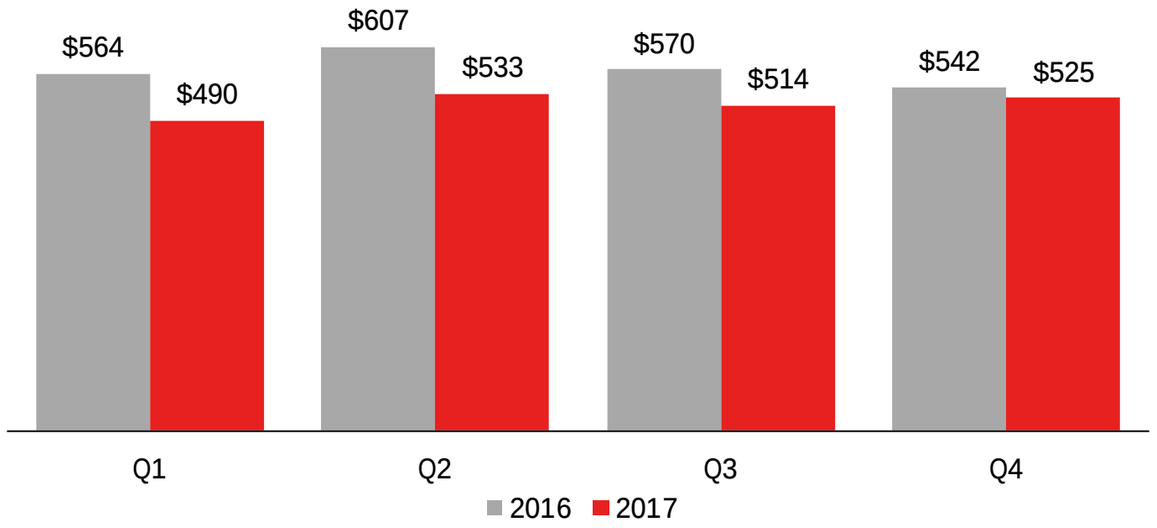
Note: Numbers may not add due to rounding.

Source: IQVIA NPA TRx 3MMA, weekly data December 29, 2017

Q4 2017 ALIMTA SALES DECREASED 3%

Millions

U.S. sales increased $3 million
International sales decreased $19 million



	Q4 Sales	Change	Performance	Rate
U.S. Alimta	$272.4	1%	1%	-
OUS Alimta	$252.8	(7%)	(9%)	2%
WW Alimta	$525.2	(3%)	(4%)	1%

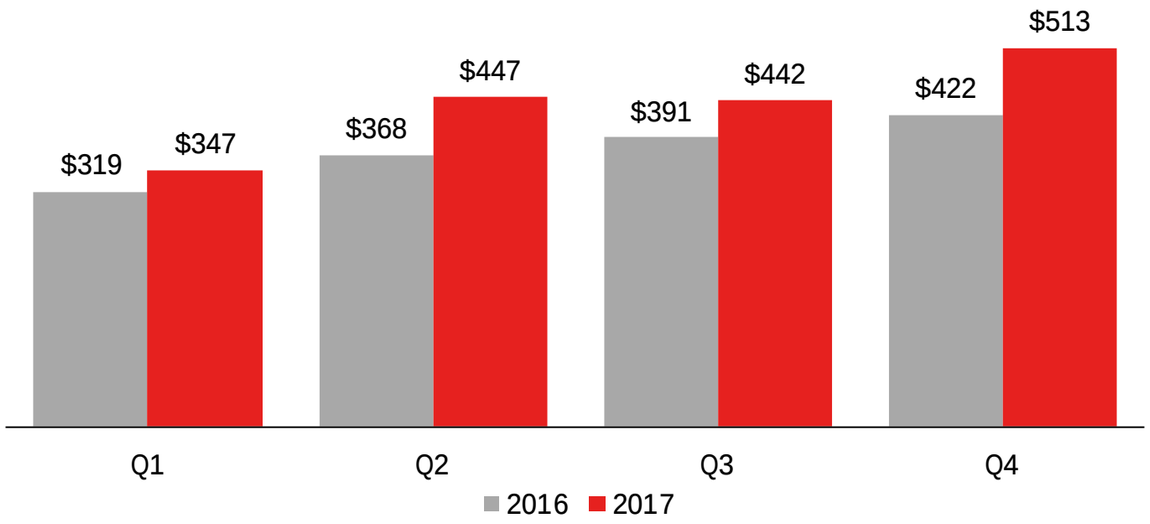
- U.S. sales increase driven by volume, partially offset by lower realized prices
- OUS sales decrease driven by increased competition and loss of exclusivity in select markets

Note: Numbers may not add due to rounding.

Q4 2017 FORTEO SALES INCREASED 21%

Millions

U.S. sales increased $74 million
International sales increased $16 million



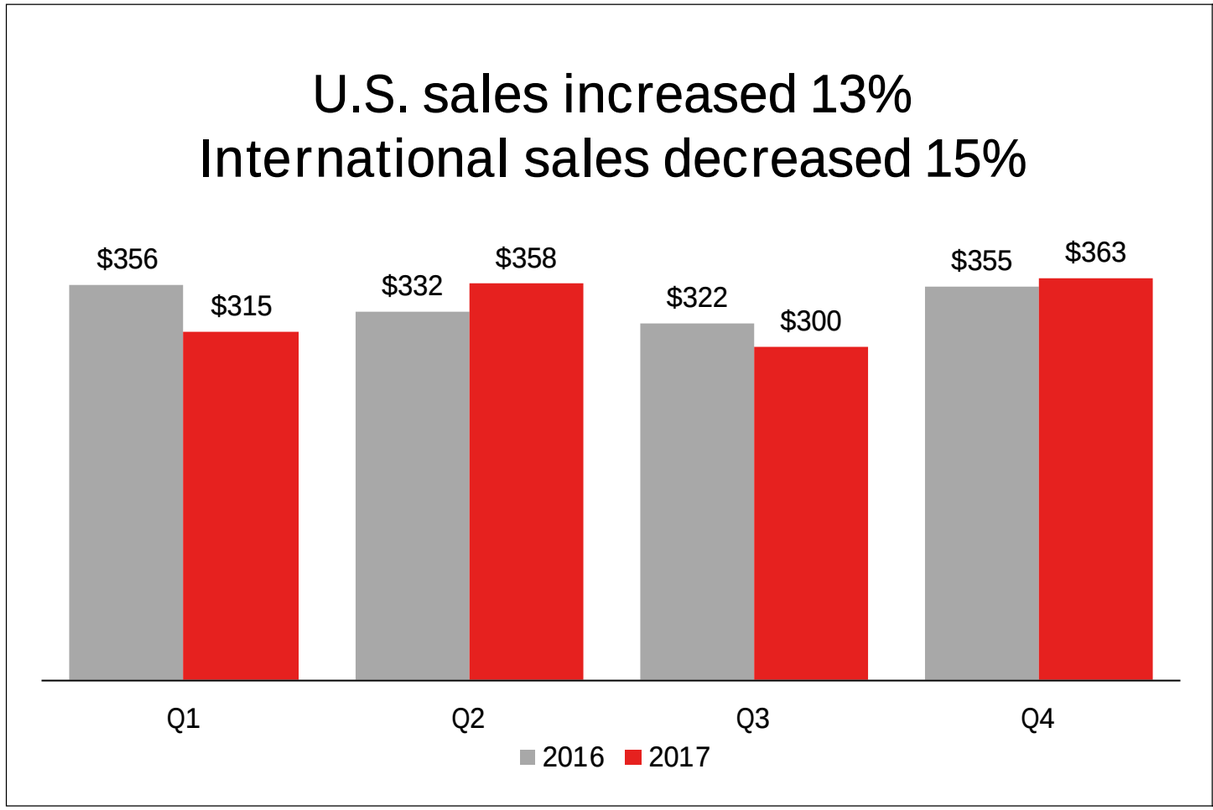
	Q4 Sales	Change	Performance	Rate
U.S. Forteo	$303.7	32%	32%	-
OUS Forteo	$209.5	8%	8%	0%
WW Forteo	$513.2	21%	21%	0%

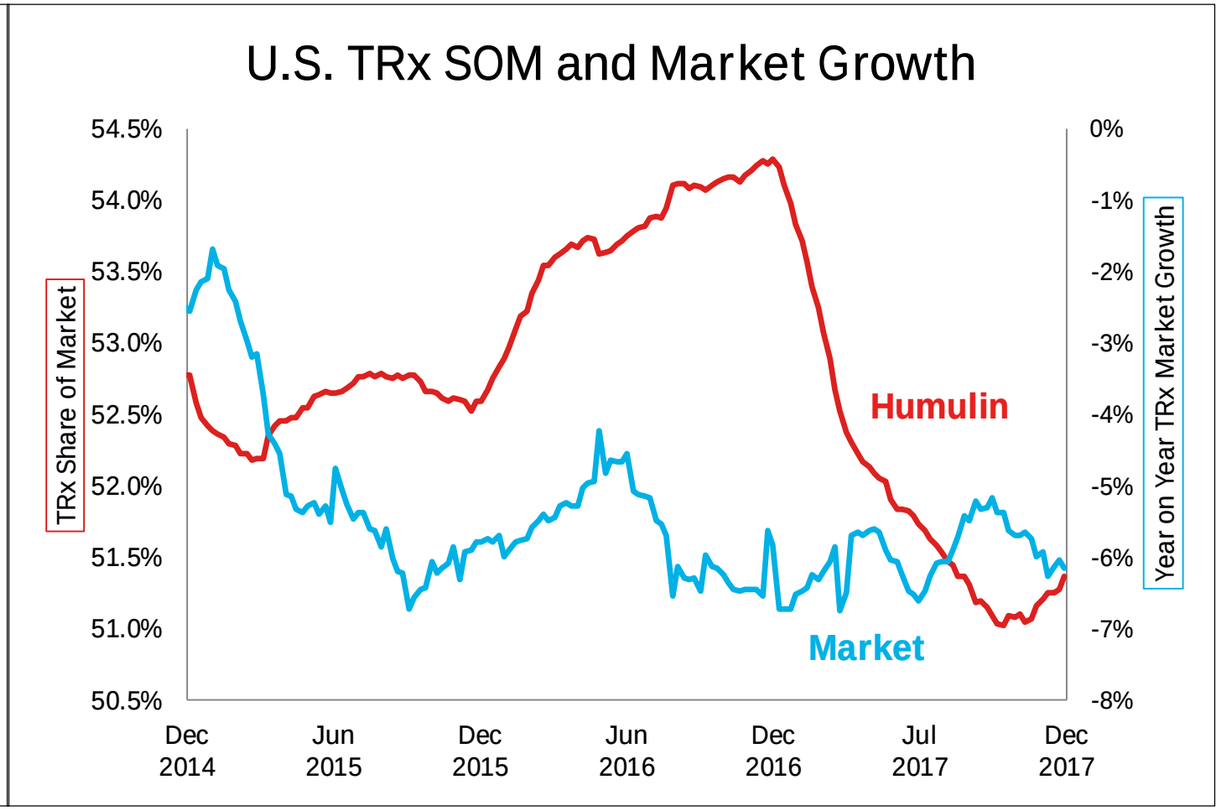
- U.S. sales increase driven by higher realized prices and, to a lesser extent, increased volume
- OUS sales increase primarily due to increased volume and, to a lesser extent, higher realized prices

Note: Numbers may not add due to rounding.

Q4 2017 HUMULIN® SALES INCREASED 2%

Millions





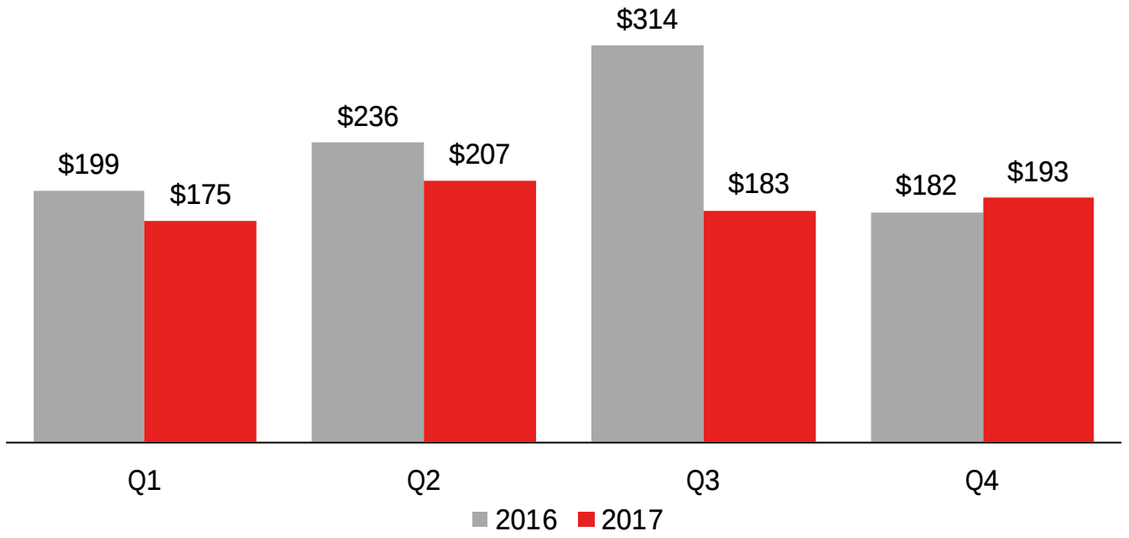
Note: Numbers may not add due to rounding.

Source: IQVIA NPA TRx 3MMA, weekly data December 29, 2017

Q4 2017 CYMBALTA SALES INCREASED 6%

Millions

U.S. sales decreased $9 million
International sales increased $20 million



	Q4 Sales	Change	Performance	Rate
U.S. Cymbalta	$14.1	(39%)	(39%)	-
OUS Cymbalta	$178.7	13%	15%	(2%)
WW Cymbalta	$192.8	6%	8%	(2%)

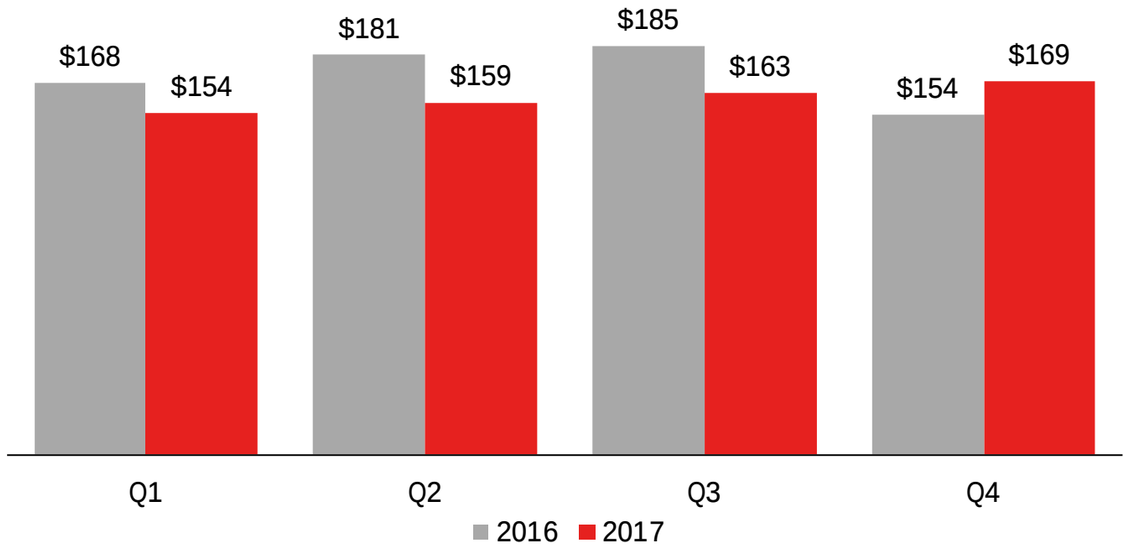
- OUS sales increase driven by Japan volume

Note: Numbers may not add due to rounding.

Q4 2017 ERBITUX® SALES INCREASED 10%

Millions

U.S. sales increased $14 million
International revenue increased $1 million



	Q4 Sales	Change	Performance	Rate
U.S. Erbitux	$143.5	11%	11%	-
OUS Erbitux	$25.4	6%	5%	1%
WW Erbitux	$168.9	10%	10%	0%

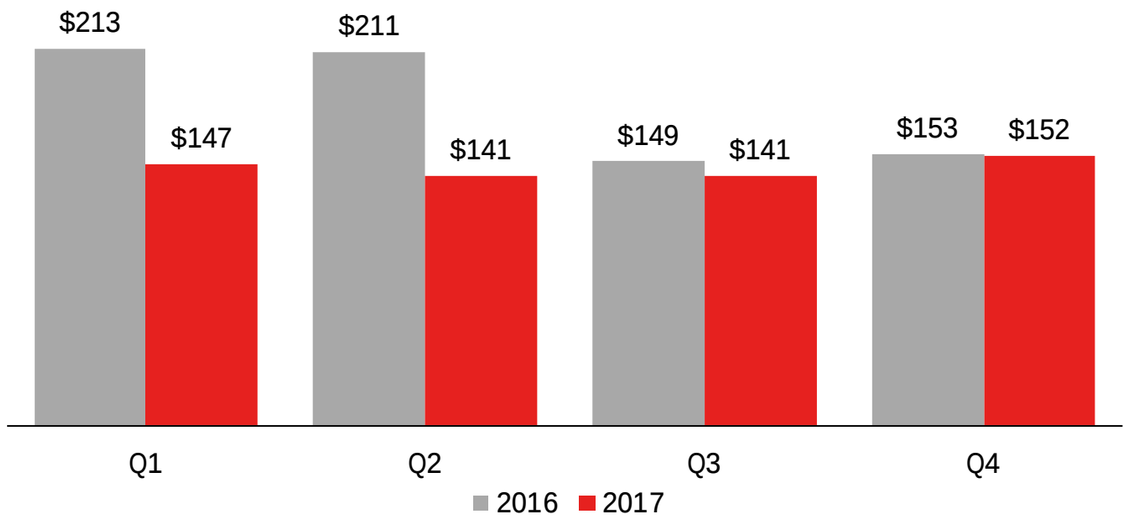
- U.S. sales increase driven by higher realized prices and, to a lesser extent, higher volumes

Note: Numbers may not add due to rounding.

Q4 2017 ZYPREXA SALES DECREASED 1%

Millions

U.S. sales increased $16 million
International sales decreased $17 million



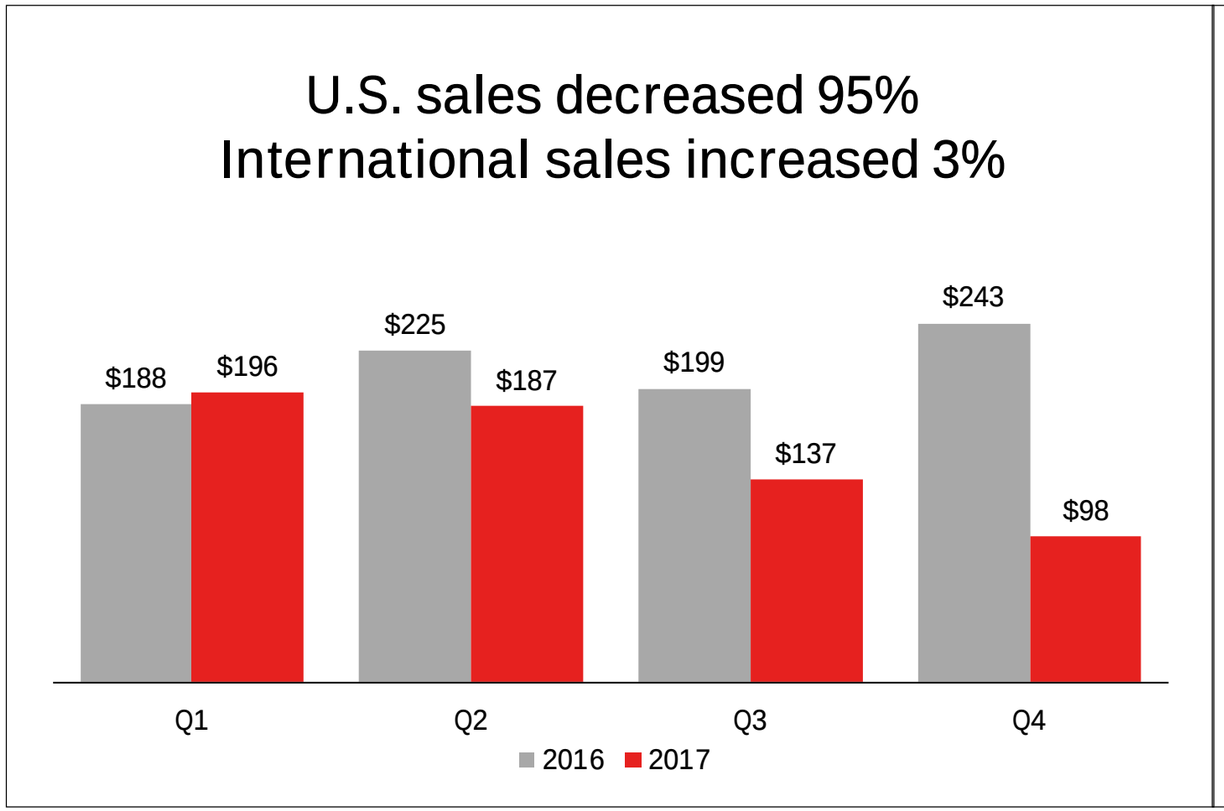
	Q4 Sales	Change	Performance	Rate
U.S. Zyprexa	$26.2	161%	161%	-
OUS Zyprexa	$126.0	(12%)	(12%)	0%
WW Zyprexa	$152.2	(1%)	(1%)	0%

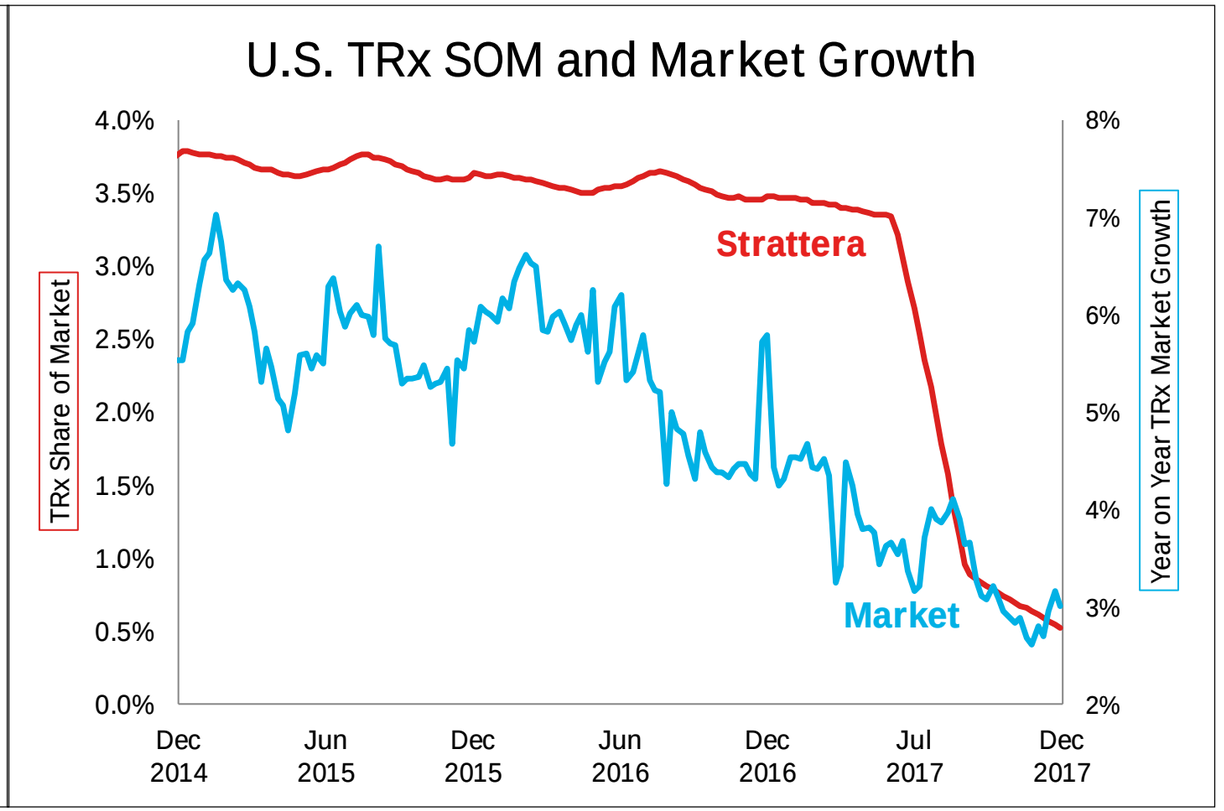
- OUS Zyprexa sales decline primarily due to the introduction of generic olanzapine in Japan in June 2016; Japan Zyprexa sales were $47 million, a decrease of 20%

Note: Numbers may not add due to rounding.

Q4 2017 STRATTERA SALES DECREASED 60%

Millions



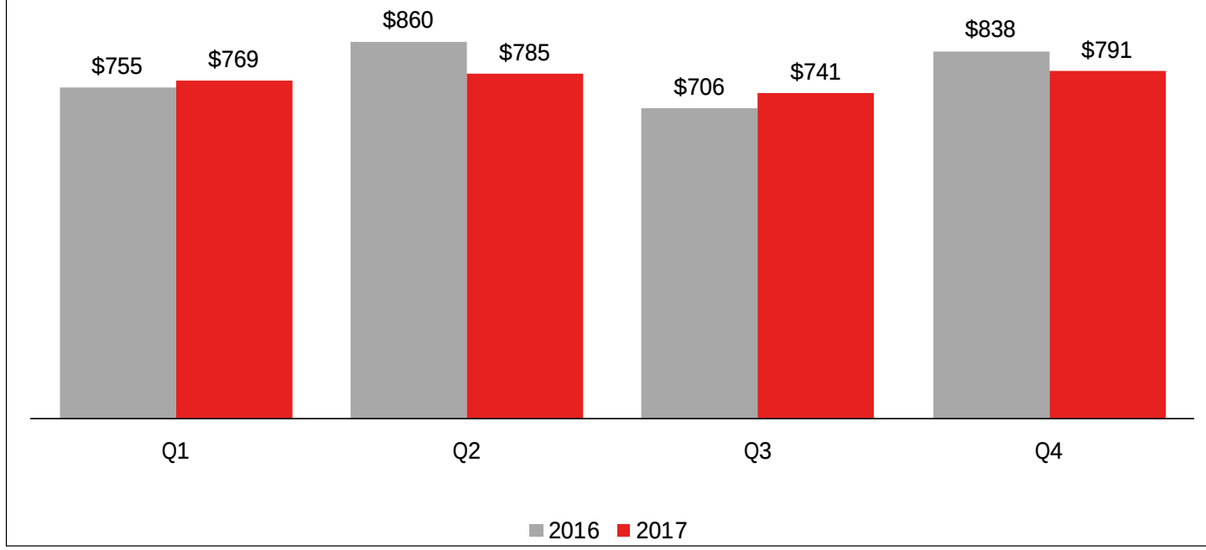


Note: Numbers may not add due to rounding.

Source: IQVIA NPA TRx 3MMA, weekly data December 29, 2017

Q4 2017 ANIMAL HEALTH SALES DECREASED 6%

Millions



	Q4 Sales	Change	Performance	Rate
U.S. Companion	$150.3	3%	3%	-
U.S. Food and Other	$187.4	(23%)	(23%)	-
OUS Companion	$93.1	(2%)	(6%)	4%
OUS Food and Other	$360.0	2%	(0%)	2%
WW Animal Health	$790.9	(6%)	(7%)	1%

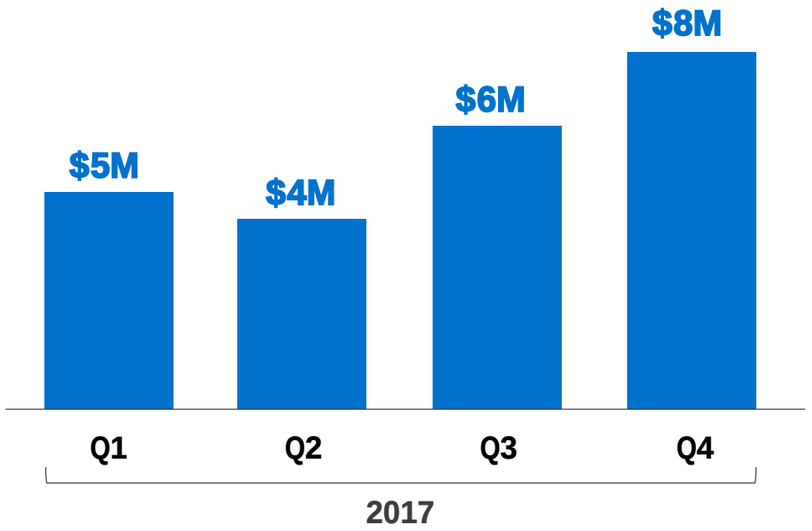
- U.S. companion animal sales increase driven by the acquisition of Boehringer Ingelheim Vetmedica's U.S. feline, canine and rabies vaccine portfolio, partially offset by U.S. customer buying patterns and competitive pressures
- U.S. food animal sales decrease due to competitive pressures in cattle and market access pressures in dairy

Note: Numbers may not add due to rounding.

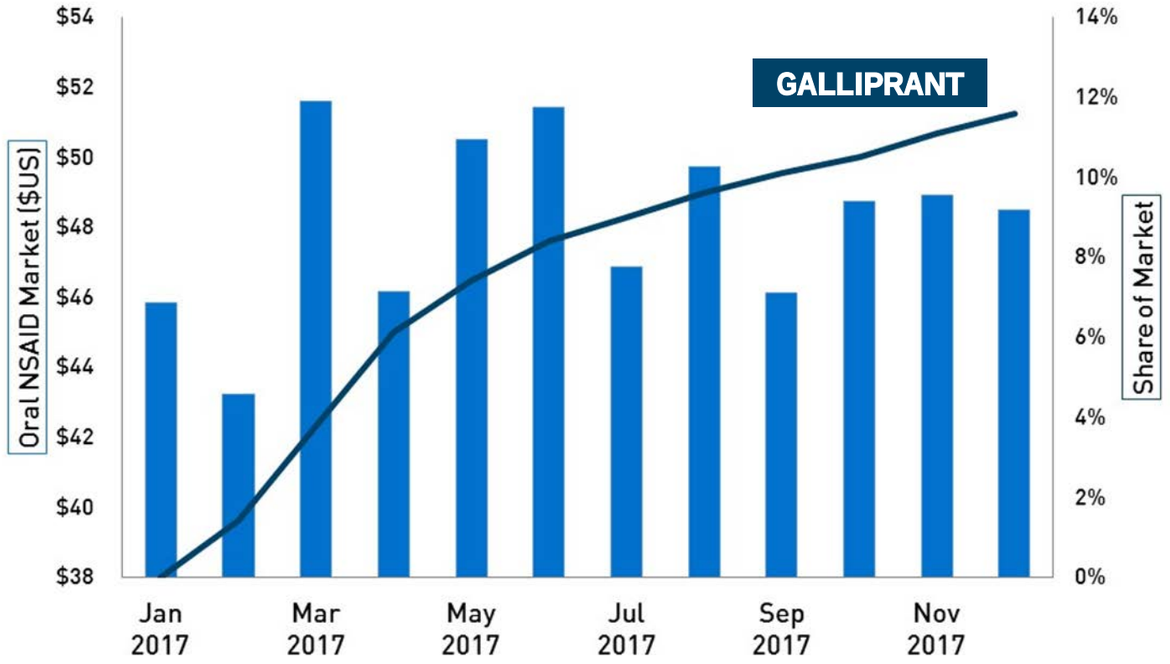
Q4 2017 GALLIPRANT® SALES WERE $8 MILLION

Elanco

U.S. sales were **$8 million**
Q4 sales increased **29%** sequentially

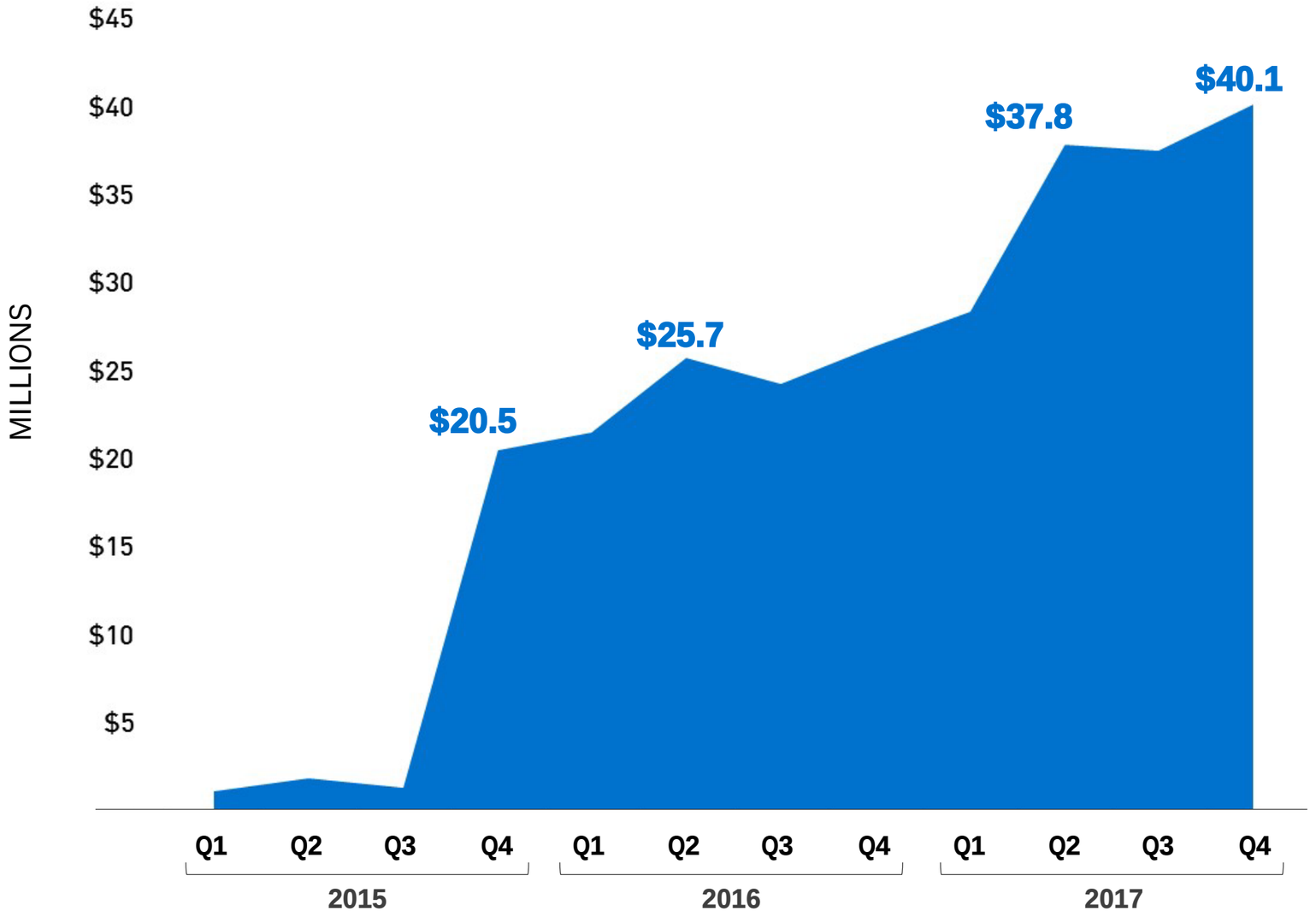


U.S. SOM and **Market Size**



Source:Vetstreet LLC, Elanco Market Share Report, published January 2018

ELANCO NEW PRODUCT LAUNCHES



Elanco

New products drove
$144M of sales in 2017

NEW PRODUCTS INCLUDE:

COMPANION ANIMAL

- Interceptor® Plus
- Osurnia®
- Galliprant
- Credelio

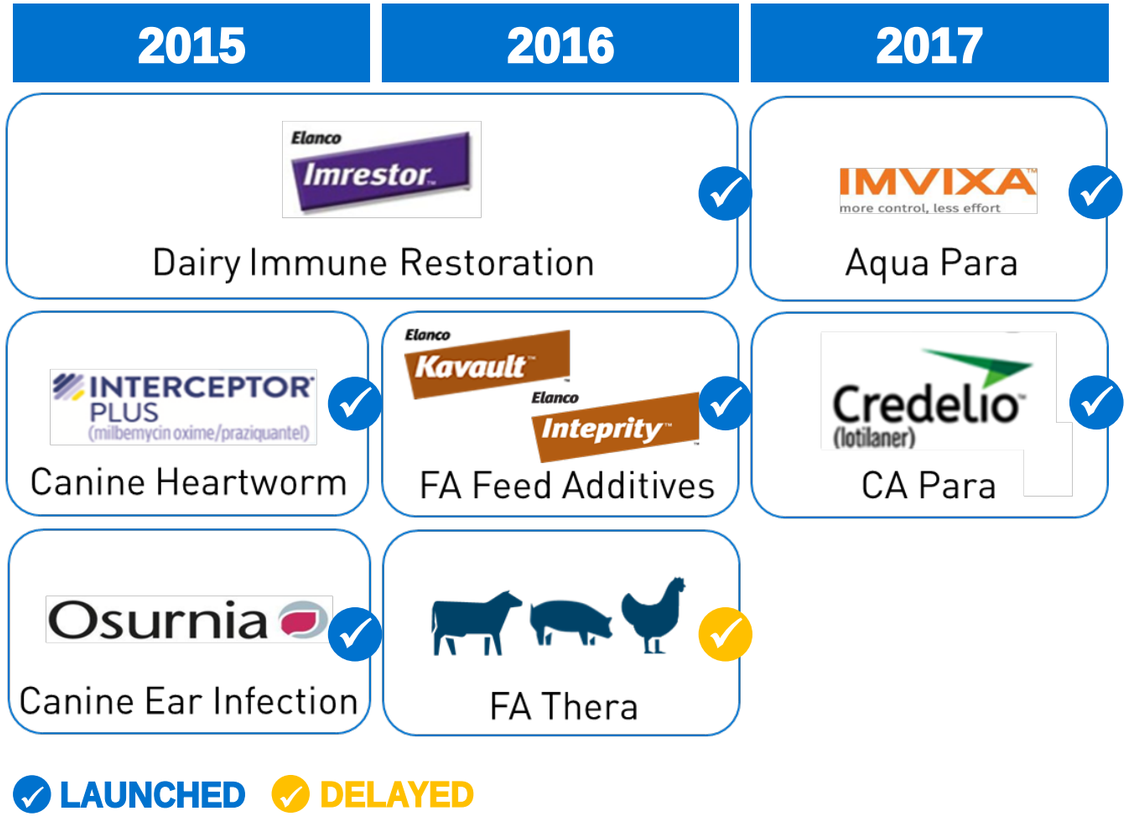
FOOD ANIMAL

- Imrestor®
- Imvixa™
- Kavault®
- Inteprity®
- Clynav™

ELANCO PIPELINE PROGRESS

Elanco

Launched nearly all of the products highlighted in **2015:**



And, launched **2 additional products:**

CLYNAV™

- Acquired from Novartis
- Future protein: First DNA vaccine for Pancreas Disease in Salmon

Galliprant® (grapiprant tablets)

- In licensed from Aratana therapeutics
- CA thera: Pain and inflammation associated with osteoarthritis in dogs


BETTER SCIENCE.
BETTER LIVES.
Lilly