



HELPING MORE PEOPLE **GET BETTER**

2023 YEAR IN REVIEW SUMMARY
ELI LILLY AND COMPANY



MARCH 2024

A LETTER FROM OUR CEO
TO OUR LILLY
Shareholders

As a remarkable year in medicine, 2023 marked the end of a pandemic, the launch of important treatments and the ascent of artificial intelligence in drug development. I am proud Lilly made significant contributions in each of these areas, as we introduced innovative medicines and helped 55.8 million people have a chance at a healthier life.

INTRODUCING INNOVATIVE MEDICINES

Last year we continued to focus on addressing critical health challenges facing humanity. In January, Jaypirca[®] received accelerated approval for the treatment of adults with relapsed or refractory mantle cell lymphoma after having undergone at least two lines of systemic therapy, including a Bruton tyrosine kinase (BTK) inhibitor medicine. Jaypirca also received accelerated approval to treat adults with chronic lymphocytic leukemia/small lymphocytic lymphoma (CLL/SLL) who have received at least two prior lines of therapy, including a BTK inhibitor and a BCL-2 inhibitor. Verzenio[®] received a broadened indication in HR+, HER2-, node-positive, high-risk early breast cancer. We also received U.S. regulatory approval for Omvoh[®], a first-in-class treatment for adults with moderately to severely active ulcerative colitis, providing relief for those enduring the effects of this chronic disease.

In November, Zepbound[®] received regulatory approval in the U.S. for the treatment of obesity, a chronic disease affecting more than 1 billion people worldwide. Mounjaro[®] also received regulatory approval in the UK for the treatment of obesity. In December, the European Union granted marketing authorization for Mounjaro for adults with obesity.

55.8
MILLION

patients reached
in 2023



To provide patients an easier way to access the medicines they need, we launched LillyDirect™, a new digital health care experience for people in the U.S. living with obesity, migraine and diabetes.

We also made it easier for people with diabetes to access Lilly insulin, reducing the U.S. list price of our most commonly prescribed insulins by 70% and capping out-of-pocket costs at \$35 per month.¹

ACHIEVING STRONG RESULTS

Driven by new and growth products, total revenue in 2023 grew by 20%, continuing our revenue growth acceleration.² In the fourth quarter of 2023 alone, revenue grew by 28% as our newly launched portfolio continued to gain momentum.

We also made exciting progress in our pipeline, with positive Phase 3 results for donanemab, tirzepatide, mirikizumab and pirtobrutinib.

We announced positive Phase 2 results for orforglipron and retatrutide and began Phase 3 studies for these molecules.

Across each pipeline stage, we advanced our work to speed life-changing medicines to patients. This year, we expect key data readouts for potential next-generation therapies in diabetes, obesity-related conditions, cardiovascular disease, oncology and immunology.

INVESTING IN OUR FUTURE

To meet rapidly growing patient demand, we announced plans to increase manufacturing capacity at our Research Triangle Park facility in North Carolina and build two new manufacturing sites within the LEAP Innovation Park in our home state of Indiana.

We also announced plans to construct a new high-tech manufacturing site in Germany to expand our global injectable product device manufacturing network.

To work with the best scientists on the best ideas, we continued to improve our pipeline through strategic acquisitions, license agreements and collaborations. These included the acquisitions of DICE Therapeutics, Sigilon Therapeutics, Versanis Bio, Emergence Therapeutics, Immunitrack, Mablink Bioscience and POINT Biopharma.

1. Terms and conditions apply. At the majority of retail pharmacies. Government restrictions exclude people enrolled in federal government insurance programs from Lilly's \$35 solutions. But federal law provides that Medicare Part D beneficiaries also pay no more than \$35 per month for insulin. 2. Lilly defines New Products as select products launched since 2022, which currently consist of Ebgllyss, Jaypirca, Mounjaro, Omvoh and Zepbound. Lilly defines Growth Products as select products launched prior to 2022, which currently consist of Cyramza, Emgality, Jardiance, Olumiant, Retevmo, Taltz, Trulicity, Tyvyt and Verzenio.

“Take what
you find here
and make it
better and
better.”

Col. Eli Lilly



IMPROVING OUR WORLD

In 2023, we strengthened initiatives that contribute to the planet's health and create stronger communities. We increased our use of renewable energy by approximately 75% compared to 2022, continuing our reduction of greenhouse gas emissions.

Lilly and its affiliates provided \$4.3 billion in medicines to charitable organizations that offer medicines at no cost to qualifying patients around the world. This included more than \$68 million in medicines to humanitarian organizations that support disaster preparedness, disaster relief and humanitarian aid. These and other efforts contributed to our 30x30 goal of improving quality health care for 30 million people living in resource-limited settings annually by 2030. At this writing, Lilly's 30x30 effort is estimated to have reached approximately 15 million people.

GETTING BETTER

Lilly's namesake founder asked each of us to "take what you find here and make it better and better." As we reflect on a successful 2023, we know there is still much work to be done. With your support, we will continue to invest in innovation, make meaningful scientific advancements and deliver medicines that help more people around the world.

Regards,



David A. Ricks
Chair and CEO



BUSINESS

ACHIEVING STRONG

Results



FINANCIAL *Highlights*

	REVENUE		NET INCOME		DIVIDENDS PER SHARE
2023	\$34,124.1	+20%	\$5,240.4	-16%	\$4.52
2022	\$28,541.4		\$6,244.8		\$3.92
	R&D		R&D AS % OF REVENUE		ACQUIRED IPR&D
2023	\$9,313.4	+30%	27.3%		\$3,799.8
2022	\$7,190.8		25.2%		\$908.5
	CAPITAL EXPENDITURES		EPS-DILUTED		NON-GAAP EPS-DILUTED
2023	\$3,447.6	+86%	\$5.80	-16%	\$6.32
2022	\$1,854.3		\$6.90		\$7.94

RECONCILIATION OF EPS-DILUTED TO NON-GAAP EPS-DILUTED

Numbers may not add due to rounding

	2023	2022
EARNINGS PER SHARE (REPORTED)	\$5.80	\$6.90
Amortization of intangible assets ¹	\$0.45	\$0.50
Asset impairment, restructuring and other special charges ²	\$0.06	\$0.21
Net losses on investments in equity securities	\$0.02	\$0.33
EARNINGS PER SHARE (NON-GAAP)	\$6.32	\$7.94

1. Excludes amortization of intangibles primarily associated with costs of marketed products acquired or licensed from third parties. 2. For the twelve months ended December 31, 2022, excluded charges primarily include the intangible asset impairment for GBA1 Gene Therapy (PRO01) due to changes in estimated launch timing.

PRODUCT REVENUE GROWTH¹

\$ in millions represent growth in revenue

Five products—Mounjaro, Verzenio, Jardiance, Taltz and Zepbound—
together generated revenue growth of \$7.2 billion, driven primarily by volume increases.



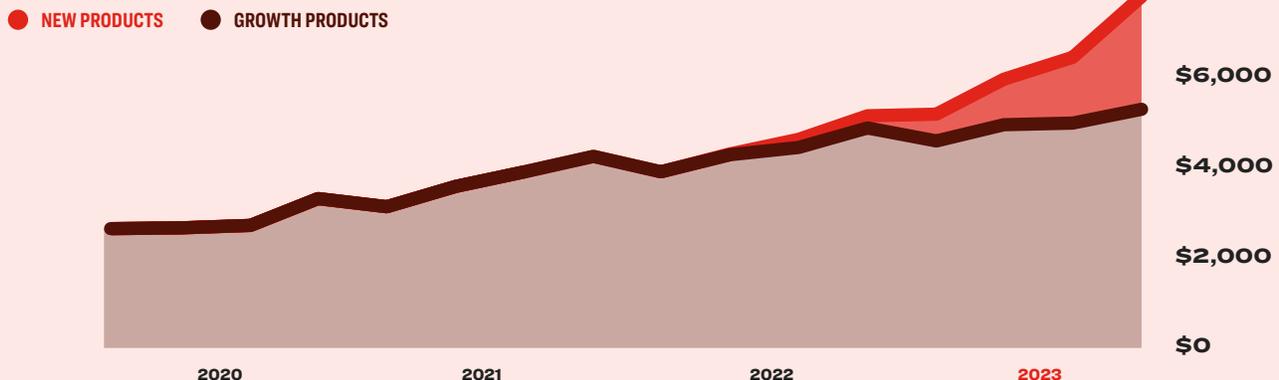
REVENUE BY THERAPEUTIC AREA

\$ in millions



QUARTERLY REVENUE CONTRIBUTION OF NEW AND GROWTH PRODUCTS²

\$ in millions



1. Excludes revenue from divestitures. 2. Lilly defines New Products as select products launched since 2022, which currently consist of Ebgllyss, Jaypirca, Mounjaro, Omvoh and Zepbound. Lilly defines Growth Products as select products launched prior to 2022, which currently consist of Cyramza, Emgality, Jardiance, Olumiant, Retevmo, Taltz, Trulicity, Tyvyt and Verzenio.

OPERATING EXPENSES

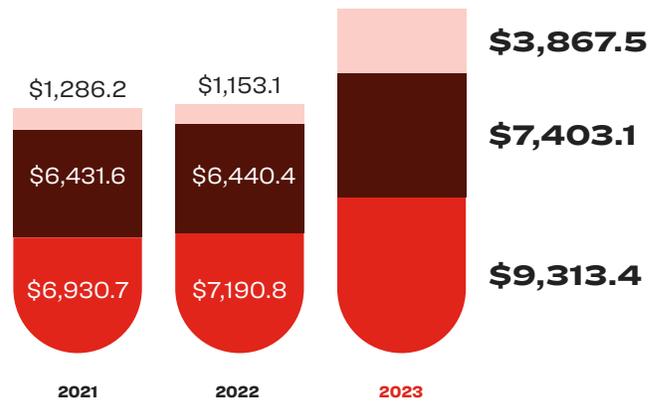
\$ in millions

● R&D ● MARKETING, SELLING & ADMINISTRATIVE ● OTHER

Increase in R&D expenses are primarily driven by development expenses for late-stage assets and additional investments in early-stage research.

Increase in marketing, selling and administrative expenses are primarily driven by costs associated with launches of new products and indications, as well as compensation and benefits costs.

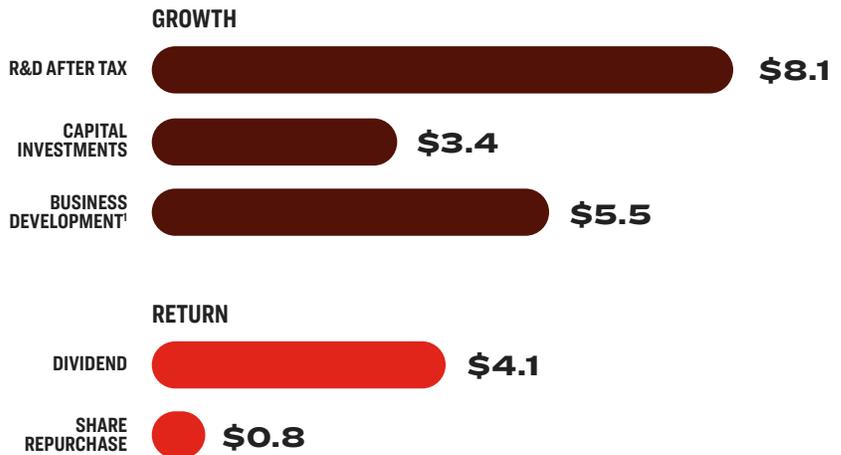
Other charges include acquired IPR&D due to asset acquisitions and business development transactions.



CAPITAL ALLOCATION

\$ in billions

In 2023, we invested \$17 billion to drive future growth through a combination of R&D expenditures, business development outlays and capital investments.

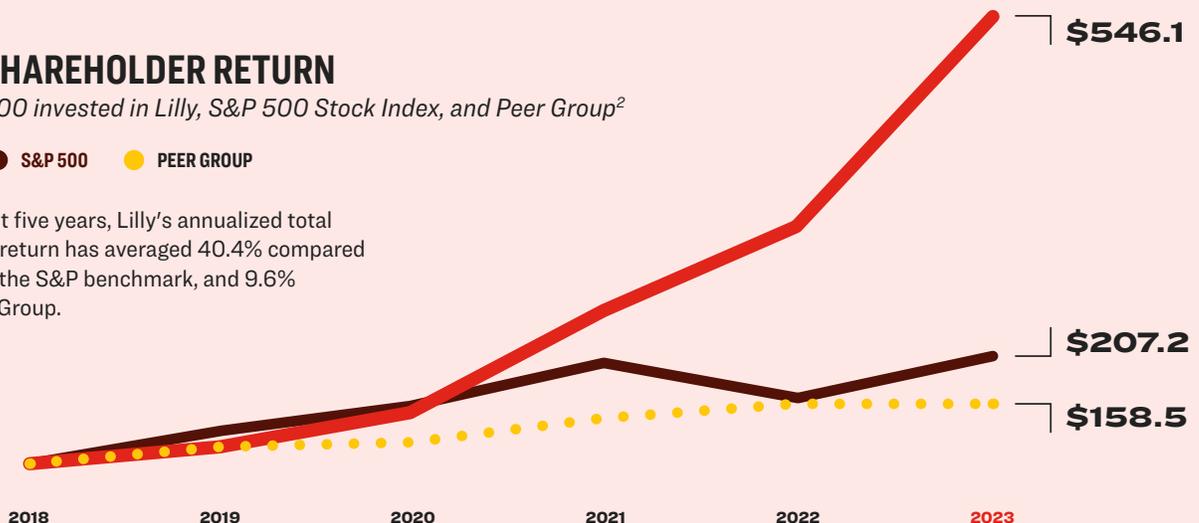


TOTAL SHAREHOLDER RETURN

Value of \$100 invested in Lilly, S&P 500 Stock Index, and Peer Group²

● LILLY ● S&P 500 ● PEER GROUP

Over the past five years, Lilly's annualized total shareholder return has averaged 40.4% compared to 15.7% for the S&P benchmark, and 9.6% for the Peer Group.



1. Includes development milestones, closed acquisitions and cash outflows associated with equity investments; does not include cash inflows from divestitures. 2. We constructed the peer group as the industry index for this graph. It is comprised of the following companies in the pharmaceutical and biotechnology industries: AbbVie Inc.; Amgen Inc.; AstraZeneca PLC; Biogen Inc.; Bristol-Myers Squibb Company; Gilead Sciences Inc.; GlaxoSmithKline plc; Johnson & Johnson; Merck & Co., Inc.; Novartis AG; Novo Nordisk A/S; Pfizer Inc.; Roche Holding AG; Sanofi S.A.; and Takeda Pharmaceutical Company Limited. The peer group used for performance benchmarking aligns with the peer group used for executive compensation purposes for 2023.

SUSTAINABILITY

IMPROVING

Our World



ENVIRONMENTAL *Highlights*



CONTINUED PROGRESS AGAINST OUR 2030 ENVIRONMENTAL GOALS

for climate, waste and water

PURCHASED APPROXIMATELY 25%

of our electricity from
renewable sources

COMMITTED \$10 MILLION+

to build five new solar
structures at our two
Indianapolis campuses
—the largest investment in solar
power in the downtown area

RATED #10

on the Forbes 2023
Net Zero Leaders list



SOCIAL IMPACT & GOVERNANCE

Highlights

S O C I A L



**55.8
MILLION**

people around the world reached with Lilly medicines

**\$9.3
BILLION+**

investments in research and development in 2023

**\$35
OR LESS
PER MONTH**

for Lilly insulin¹



\$4.3 BILLION

in free medicines provided in 2023²

\$300 MILLION+

committed to global health 2016-2030³

8.1 MILLION

insulin vials and cartridges provided for Life for a Child program since 2009



~\$1.5 BILLION

spent with approximately 1,600 small and/or diverse suppliers in 2023

49%

women in management positions, globally⁴

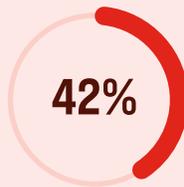
24%

minority group members in management positions in the U.S.⁴

G O V E R N A N C E



**BOARD
MEMBERS
ARE WOMEN⁴**



**BOARD
MEMBERS
ARE MINORITY
GROUP
MEMBERS⁴**



**EXECUTIVE
COMMITTEE
MEMBERS
ARE WOMEN⁴**

1. Terms and conditions apply. 2. Includes value of medicines provided by Lilly and its affiliates to charitable organizations that provide free Lilly medicines to qualifying patients. Product contributions valued at wholesale acquisition cost. 3. Includes financial commitments from Lilly and \$17.8 million from the Eli Lilly and Company Foundation, a separate nonprofit organization, commonly referred to as the Lilly Foundation. 4. As of end of year 2023.



Lilly Cautionary Statements

The statements made in the 2023 Year in Review may contain forward-looking statements that are based on management's current expectations and assumptions, but actual results may differ materially due to various factors. Words such as "estimate", "project", "intend", "expect", "believe", "target", "anticipate", "may", "could", "aim", "seek", "will", "continue" and similar expressions are intended to identify forward-looking statements. However, by their nature, forward-looking statements are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements can be found in the "Risk Factors" and "Forward-Looking Statements" sections included in the company's Annual Report on Form 10-K for the year ended December 31, 2023, and may be further updated by any subsequent Forms 10-Q or 8-K filed with the Securities and Exchange Commission. The company undertakes no duty to update forward-looking statements except as required by applicable law.

References to information in this report should not be construed as a characterization regarding the materiality of such information to the company's financial results or operations. Lilly follows structured processes to collect, evaluate, calculate and validate the environmental, social impact and governance data included in this report. The data presented in this report is collected using various methodologies, which in some instances are based on assumptions and estimates in which there are inherent uncertainties and limitations, such as information collected from third-party sources and operations outside of Lilly's control. While the company believes such information is reasonably accurate and is based on reasonable principles and methodology, the third-party collection of this data is beyond its direct control. In addition, any changes in methodology may result in material changes to the calculations and may result in the current and previous periods being adjusted. Furthermore, the achievement of certain sustainability goals and targets may be dependent on the actions of Lilly's partners, suppliers and other third parties, all of which are outside of its control.

Certain financial information in this Year in Review is presented on a non-GAAP basis; these non-GAAP measures should be referred to in addition to, not as a substitute for or superior to, measures prepared in accordance with GAAP.

Find more detail on Lilly's environmental, social and governance priorities, strategies and operations at [lilly.com](https://www.lilly.com).