

2018 Financial Highlights

● 2018 ● 2017

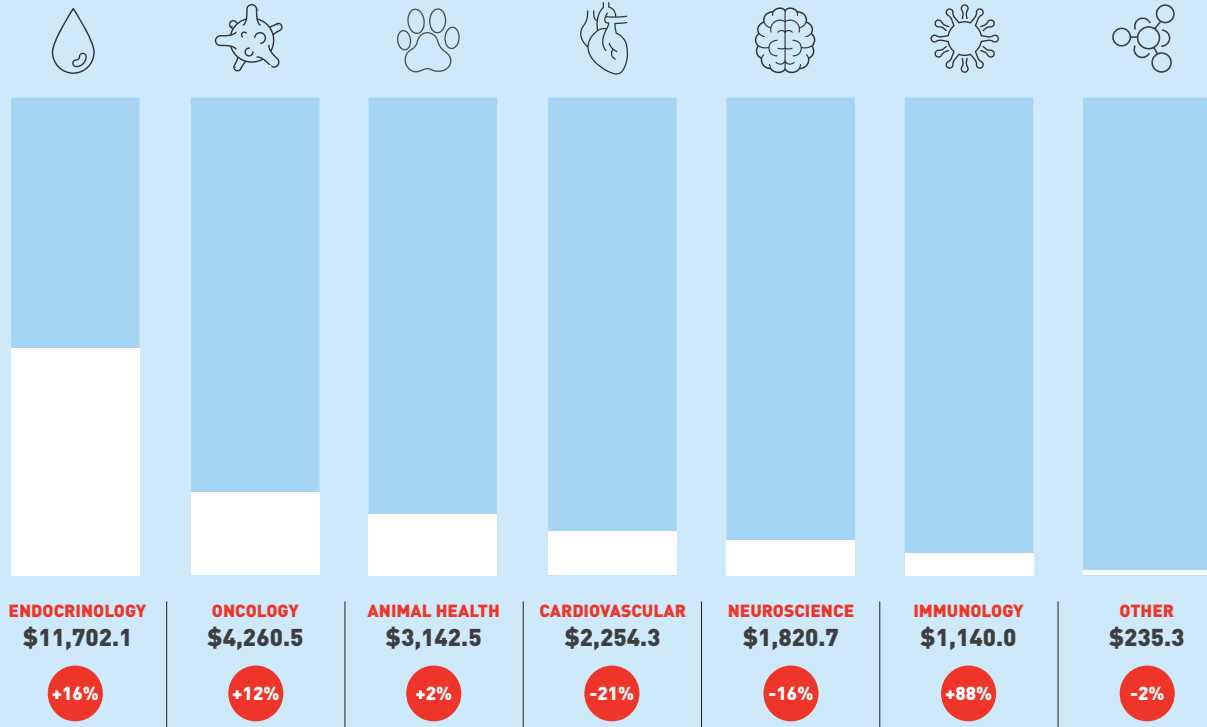
<p>REVENUE</p> <p>\$24,555.7 \$22,871.3</p> <p>+7%</p>	<p>R&D</p> <p>\$5,307.1 \$5,357.3</p> <p>-1%</p>	<p>R&D AS A % OF REVENUE</p> <p>21.6% 23.4%</p>
<p>NET INCOME (LOSS)</p> <p>\$3,232.0 \$(204.1)</p> <p>NM*</p>	<p>EARNINGS (LOSS) PER SHARE-DILUTED¹</p> <p>\$3.13 \$(0.19)</p> <p>NM*</p>	<p>NON-GAAP EPS-DILUTED^{1,3}</p> <p>\$5.55 \$4.28</p> <p>+30%</p>
<p>DIVIDENDS PAID PER SHARE</p> <p>\$2.25 \$2.08</p>	<p>CAPITAL EXPENDITURES</p> <p>\$1,210.6 \$1,076.8</p> <p>+12%</p>	<p>EMPLOYEES</p> <p>38,680 40,655</p> <p>-5%</p>

*% of change not meaningful

RECONCILING ITEMS¹

Acquired in-process research and development	\$1.83	\$0.97
Amortization of intangible assets	\$0.43	\$0.44
Asset impairment, restructuring and other special charges	\$0.41	\$1.23
Other, net	\$0.01	\$0.03
Income Taxes ²	\$(0.25)	\$1.81

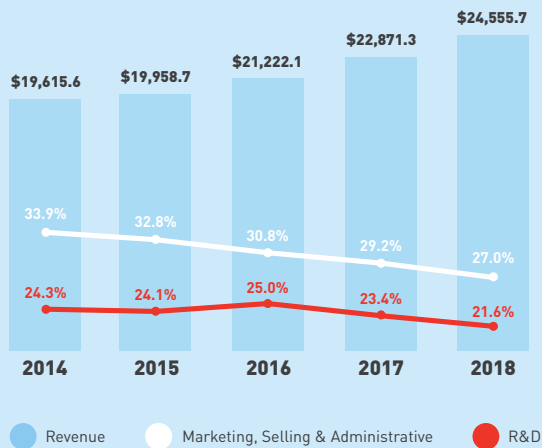
1. These items reconcile the EPS-Diluted to the Non-GAAP EPS-Diluted. For more information on these reconciling items, see the company's latest Form 10-K files with the U.S. Securities and Exchange Commission. Numbers may not add due to rounding.
2. Relates to adjustments for U.S. tax reform (2018 and 2017) and tax expense associated with the separation of the Elanco Animal Health business (2018). 3. Numbers may not add due to rounding.



REVENUE GROWTH ACROSS THERAPEUTIC AREAS

(\$ millions, percent growth)

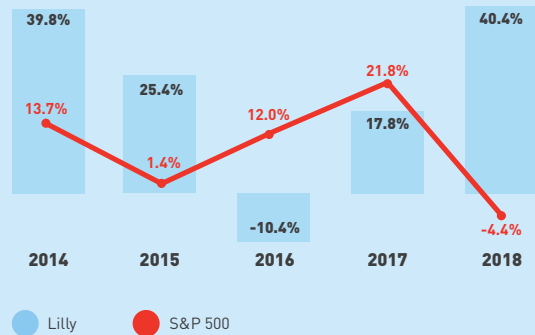
Revenue in Endocrinology increased 16 percent, primarily driven by growth of Trulicity, Basaglar and Jardiance. Taltz® drove the 88 percent revenue increase in Immunology. Oncology revenue increased 12 percent due to Verzenio® launch in the U.S. Neuroscience experienced a 16 percent decrease due to lower volumes for Strattera®, Cymbalta® and Zyprexa®, and Cardiovascular decreased 21 percent, driven by lower volumes for Cialis and Effient, all due to patent losses.



OPERATING EXPENSES

(\$ millions, percent of revenue)

Over the past five years, Lilly has maintained relatively flat operating expenses while growing revenue, resulting in consistent improvement in operating expense as a percent of revenue.



TOTAL SHAREHOLDER RETURN

Over the past five years, Lilly's annualized total shareholder return has averaged 21 percent, compared to 8.5 percent for the S&P benchmark, due to the increase in the stock price and steady dividend stream.