Morgan Stanley | RESEARCH

UPDATE

May 22, 2026 11:09 AM GMT

Eli Lilly & Co. | North America

Mounjaro+Zepbound Script Tracker

Mounjaro TRx/NRx scripts for the week of 5/15/26 were ~777,100/378,700 (vs. ~784,600/380,600 last week) per IQVIA data. Zepbound TRx/NRx scripts were ~642,400/351,300 (vs. ~655,900/356,100 last week). We see ~7% upside to '26 M+Z ests.

We are monitoring the launches of LLY's Mounjaro (injectable GLP-GIP) for type 2 diabetes (T2D), and Zepbound (injectable GLP-GIP) for obesity, and Foundayo (oral GLP) given these are the company's key product cycles. Total GLP-1 TRx (LLY+Novo) grew ~34% yoy (see Exhibit 13 within). We are focused on oral GLP-1 impact on overall growth of the injectable GLP-1 category (see Exhibit 4 and Exhibit 10 within) and share dynamics (Exhibit 15). Total LLY GLP-1 franchise (Mounjaro+Trulicity+Zepbound+Foundayo) weekly NRx market share was ~58% (vs. ~59% last week) - see Exhibit 26 within.

Mounjaro+Trulicity+Zepbound+Foundayo TRx for the current week are ~1,560,000 vs. ~1,577,300 the prior week (-1.1% w/w). **Mounjaro+Zepbound +Foundayo TRx** for the current week are ~1,436,100 vs. ~1,450,800 the prior week (-1.0% w/w). On 4/30/26, IQVIA issued a notice stating that it identified a material decrease in prescription volume for LLY's product Zepbound in the mail channel for the data week ending 4/24/26, driven by one mail outlet reporting significantly lower-than-typical refill volumes across all forms and strengths of Zepbound. Per LLY IR, they did not have visibility into the magnitude yet, but the impact applies to both Zepbound vials and the KwikPen. IQVIA subsequently noted that the material decline in Zepbound mail-channel volume persisted in the data weeks ending 5/1/26 and 5/8/26.

We have also begun monitoring LLY's Foundayo (approved 4/1/26, see our note HERE and launched Thursday 4/9/26), which recorded ~16,700/~15,400 TRx/NRx in its sixth week on market vs ~10,200/~9,900 TRx/NRx in fifth week (Exhibit 1 below), and compared with ~56,900/~55,300 TRx/NRx for the sixth week of oral Wegovy (launched Monday 1/5/2026).

LLY with 1Q26 EPS (see HERE) noted ~20k patients on Foundayo (paid/ reimbursed, includes Lilly Direct, telehealth and retail) and ~1k new patients/day starting therapy. IQVIA prescription data under-reporting telehealth channel and hence LLY estimates this missed 35-45% of scripts last week (i.e., second week), but this is a moving target week to week given it's tied to growth of telehealth channel. LLY noted the sampling program won't begin until later in May and IQVIA will not capture samples. In addition LLY noted that to date 80%+ of Foundayo prescriptions are new incretin patients (consistent with our survey - see HERE) and of the 8,000 prescribers who have already written for the drug, ~1/3 of them previously did not

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Eli Lilly & Co. (LLY.N, LLY UN)

Major Pharmaceuticals | United States of America

Stock Rating	**Overweight**
Industry View	**In-Line**
Price target	**$1,344.00**
Shr price, close (May 21, 2026)	$1,041.65
Mkt cap, curr (mm)	$933,233
52-Week Range	$1,133.04-624.00

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS ($)**	24.20	39.91	47.09	57.77
Prior EPS ($)**	-	-	-	-
P/E	44.4	26.1	22.1	18.0
EPS ($)§	23.43	36.61	44.67	51.49
Div yld (%)	0.6	0.7	0.8	0.9

framework
** = Based on consensus methodology
§ = Consensus data is provided by Refinitiv Estimates

QUARTERLY EPS ($)

Quarter	2025	2026e Prior	2026e Current	2027e Prior	2027e Current
Q1	3.34	-	8.55a	-	-
Q2	6.31	-	9.26	-	-
Q3	7.02	-	10.69	-	-
Q4	7.54	-	11.41	-	(1.09)

write an oral GLP-1 script, ~¾ of scripts are from lower frequency writers and 80% scripts are from PCPs (vs. 20% specialists) all suggesting expansion of the market.

Novo's oral Wegovy recorded ~143,000/120,900 TRx/NRx this week vs. ~137,300/117,700 last week. However, Novo noted that early script data excludes certain channels (NovoCare and telehealth) until integration with IQVIA, so will miss scripts from some cash channels at the beginning of the launch. Novo said it is encouraged by current dynamics, with TRx of ~89k in the week of March 13 reflecting a ~60% capture rate (vs. ~50% at the FY results in February). Novo noted on 2/11/26 that more than 246k patients in the US are on oral Wegovy and most of them are new to the GLP-1 category (LINK; vs. ~170k on 4Q25 EPS on 2/4/26). On 2/19/26, IQVIA disclosed that it will implement a projection adjustment for Wegovy in the mail channel, effective with the data week ending 2/13. The estimated impact is +5-7% (~+11-17k scripts), with an additional impact of +4% (~+13k scripts) for the week ending 2/20. LLY noted on 4Q EPS that they are very encouraged by what they see with oral Wegovy (i.e., mostly new starts) and it validates their view that orals will expand the market. See Exhibit 4 within for our launch sensitivity analysis. Oral Wegovy represents ~13.0% of total GLP-1 volumes for obesity.

Our sensitivity analysis assesses the TRx volumes Foundayo would need to achieve to reach VA consensus U.S. sales of ~$1.3bn in 2026. For this analysis we now assume a net price of ~$262/month, which is what we model for the year. Our assumptions also incorporate oral Wegovy trends adjusted for data not captured by IQVIA relative to reported data (see above), and our projected assumptions assume Novo/LLY oral market share reaches 50%/50% share within ~16 weeks post-Foundayo launch. Under these assumptions, Foundayo TRx would need to ramp to volumes above recent GLP-1 launches (e.g., Zepbound autoinjector/vial) - see Exhibit 2 . This translates to Foundayo TRx of ~4.9mn (or ~129k/week).

For oral Wegovy, consensus U.S. sales of $2.3bn (we believe mostly US) would require ~8.9mn TRx (~109k/week) at an assumed net price of $263/month (see Exhibit 3), which is the blended price assumed by our EU team. Per Novo, IQVIA data will not have all the channels for oral Wegovy, and will miss scripts from some cash channels at the beginning of the launch.

On 4/21/2026, CMS decided to extend the Medicare obesity GLP-1 Bridge coverage program (beginning July 2026) through YE27 (from prior YE26) and to delay the start of the BALANCE program (see our note HERE). This follows commentary from UNH and CVS (both covered by Erin Wright) that raised questions around the path to broader coverage via the CMS BALANCE program in 2027 (see our note HERE). **We previously framed the Zepbound/Foundayo US opportunity in the Medicare obesity population HERE.**

The FDA approved Novo's high dose Wegovy (once-weekly injectable semaglutide 7.2 mg) on 3/19/2026, for weight loss and long-term weight maintenance (LINK). Novo expects to launch Wegovy HD in a single-dose pen in the US in April 2026. Self-pay patients can initiate injectable Wegovy at the 0.25 mg starting dose for $199/mo for up to two fills (through June 30, 2026), after which pricing rises to $349/mo for standard doses (0.25–2.4 mg) and $399/mo for Wegovy HD 7.2 mg, while commercially insured patients may pay as little as $25/mo through

the Wegovy savings offer (LINK). Outside of the US, Wegovy 7.2 mg is already approved for adults with obesity in the EU and UK (as 3x2.4mg injections), with a regulatory decision for a single-dose 7.2mg pen expected in 2H26.

LLY announced on March 5, 2026 the launch of its Employer Connect platform in the US, a flexible benefits platform designed to expand access to obesity treatments such as Zepbound (tirzepatide) (LINK). The platform enables employers to work with independent program administrators to improve employee access to obesity management medications. The program launches with 15+ administrators and nationwide pharmacy support through a dedicated network, including HealthDyne and CenterWell (part of HUM, covered by Erin Wright). Offerings range from low-cost benefits administration to full end-to-end obesity care, allowing employers to tailor programs to their needs. Under LLY's pricing model, employers can bundle medication access with clinical and behavioral support services. **Zepbound KwikPen will be available to network pharmacies at a discounted price of $449 across all doses**, with final employer and employee costs varying based on pharmacy selection, administrator fees, and employer cost-sharing design.

Zepbound vials: In Aug 2024 in the US, LLY launched via LillyDirect (fulfilled through Gifthealth) a vial presentation of Zepbound (single use vials at 2.5/5mg dose) vs. the existing auto-injector pen presentation (doses 2.5 mg, 5 mg, 7.5 mg, 10 mg, 12.5 mg, or 15 mg; Exhibit 18 & Exhibit 29 within). On 2/25/25 LLY expanded the vial offering to include 7.5mg/10mg doses (see HERE) and announced new prices on vials - 2.5mg ($349/month), 5mg ($499/month), 7.5mg/10mg ($499/month). On 6/16/2025 LLY again expanded the vial offering to include 12.5mg/15mg ($499/month), and HC providers can begin prescribing the new vial strengths on July 7 and shipments to patients will begin in early August (LINK). LLY announced on 12/01/25 (LINK) that it will lower prices for Zepbound single-dose vials offered via LillyDirect, with the starting dose (2.5 mg) available for $299/month (down from $349), the 5mg dose for $399/month (down from $499), and all other approved doses at $449/month (down from $499) for patients enrolled in the Zepbound Self Pay Journey Program. These prices apply only to the first fill and refills within 45 days; if refilled after that window, the 12.5mg and 15mg doses cost was lowered to $699 on 2/23/26 (down $849 and $1,049, respectively). This update follows LLY's recent price reductions for Zepbound multi-dose pens and aligns with its agreement with the U.S. administration to expand access and affordability for people living with obesity (see our prior takeaways HERE). On 2/12/26 IQVIA disclosed that additional prescription volumes for Zepbound vials were released into the retail channel beginning with data week ending 2/6/26, with the estimated impact to be updated with the next week's data release.

Zepbound Kwikpen: On Feb 23, 2026, LLY launched the Zepbound KwikPen (a four-dose, one-month treatment contained in a single device) via LillyDirect. The KwikPen is available across all approved doses (2.5 mg, 5 mg, 7.5 mg, 10 mg, 12.5 mg, and 15 mg). LLY announced that Zepbound KwikPen will be priced at parity with single-dose vials, with both presentations offered through LillyDirect. Under the Zepbound Self Pay Journey Program, the starting dose (2.5 mg) is priced at $299, the 5 mg dose at $399 per month, and all other approved doses at $449 per month.

These prices apply to the first fill and to refills made within 45 days; refills outside this window are priced at $699 for the 12.5 mg and 15 mg doses.

Novo announced the launch of NovoCare Pharmacy on 3/5/25 (LINK), which will provide a self-pay option of the Wegovy pen for $499/month for uninsured patients or eligible patients with commercial insurance who do not have coverage for obesity medicines. This is similar to LLY's LillyDirect offering of Zepbound vials (above). The Novo release also mentioned that over 55mn people in the US have coverage specifically for weight management medicines, and 90% of Wegovy patients with coverage pay $0 to $25 a month for Wegovy. On 3/24/25, Novo also extended the same benefit to local pharmacies for all eligible cash-paying patients, highlighting that is another avenue for patients to get access to branded product (LINK). On 8/18/25, Novo extended its offering of Ozempic to self-paying, eligible patients with type 2 diabetes at a price of $499/month; additionally, Novo entered into a collaboration with GoodRx to offer both Ozempic and Wegovy through the GoodRx platform, making them accessible to self-paying patients. Novo announced on 11/17/25 (LINK) a limited time self-pay offer for the lowest doses of Wegovy (0.25 mg) and Ozempic (0.5 mg): $199/month for the first two months for new self-pay patients through March 31, 2026. After two months, patients can then transition to the new standard monthly self-pay price of $349/month (down from $499), which is effective 11/17/25. The Ozempic 2mg dose will remain $499. Novo noted that these offers follow the recent agreement with the US administration to expand access (see our prior takeaways HERE). On 12/22/25, Novo announced FDA approval of once-daily Wegovy (semaglutide) 25 mg tablets for obesity treatment in the U.S. (LINK). The company stated that the starting dose of 1.5mg will be available through pharmacies and select telehealth providers in early January, with savings offers starting at $149/month. The 4 mg dose will also be offered at $149/month until April 15, 2026, after which it will increase to $199/month; higher doses (9 mg and 25 mg) will be priced at $299/month (LINK). The cash price aligns with the U.S. government agreement Novo and Lilly signed in Nov'25 (see our prior takeaways HERE). On 3/31/2026, Novo introduced a subscription-based pricing model for Wegovy, with monthly costs ranging from $249 (12-month subscription) to $329 (3-month subscription), offering potential savings of up to $1,200 annually (LINK).

GLP-1 compounding: The FDA on 2/6/26 (see LINK) announced its intent to take decisive steps to restrict GLP-1 active pharmaceutical ingredients intended for use in non-FDA-approved compounded drugs that are being mass-marketed by companies as similar alternatives to FDA-approved drugs (see our note HERE). Per Novo, its market research indicates that ~3mn US patients are on a GLP-1 for obesity, of which 1.5mn are on a compounded product (70% of which is compounded Semaglutide). Novo increased its estimate to ~1.5mn in Jan 2026 (LINK) from the 1mn+ it provided with 3Q25 EPS.

We believe we are approaching another inflection point for GLP-1 utilization in the obesity setting, primarily driven by the introduction of oral agents from LLY and Novo and the expansion of Medicare coverage in the US. We project a peak obesity TAM of ~$190bn in our base case (see HERE). We see five key drivers we believe will support further global penetration: (1) the launch of oral GLP-1 therapies (Novo's Wegovy pill and LLY's Foundayo/orforglipron), (2) broader access

to all GLP-1's in the US for elderly patients via Medicare (at a price of $50/month), (3) international market expansion (such as China and Brazil, which we discuss in detail), (4) next-generation molecules/pathways, and (5) clinical benefits in new disease areas such as inflammation and neurological indications. GLP-1 adoption among the eligible obesity population reached ~6% in the US in 2025 in the US (vs. ~26% for T2D) and 2% outside the US (OUS), up from ~2–3%/~1% from our April 2025 note (*Obesity Medications: The Broadening*), and compared with our peak penetration estimates of ~30% and ~10%, respectively (including GLP-1 compounded drugs).

Within we include exhibits on weekly prescription volumes and market share for drugs across the GLP-1 space, as well as LLY supply ramp. We also include our catalyst calendar (Exhibit 37) for key diabesity events for MS covered companies.

Novo is covered by Thibault Boutherin. CVS and Cigna are covered by Erin Wright. TDOC is not covered; Gifthealth, Nexus, Ro and Truepill are private; Evernorth is a division of CI. Swiss Re is covered by Hadley Cohen.

relation to their definitive agreement to acquire Centessa Pharmaceuticals, plc ("Centessa"), as announced on March 31, 2026. The transaction is subject to approval by Centessa stockholders, sanction by the High Court of Justice of England and Wales and satisfaction of other customary closing conditions, including regulatory approvals. This report and the information provided herein is not intended to (i) provide voting advice, (ii) serve as an endorsement of the proposed transaction, or (iii) result in the procurement, withholding or revocation of a proxy or any other action

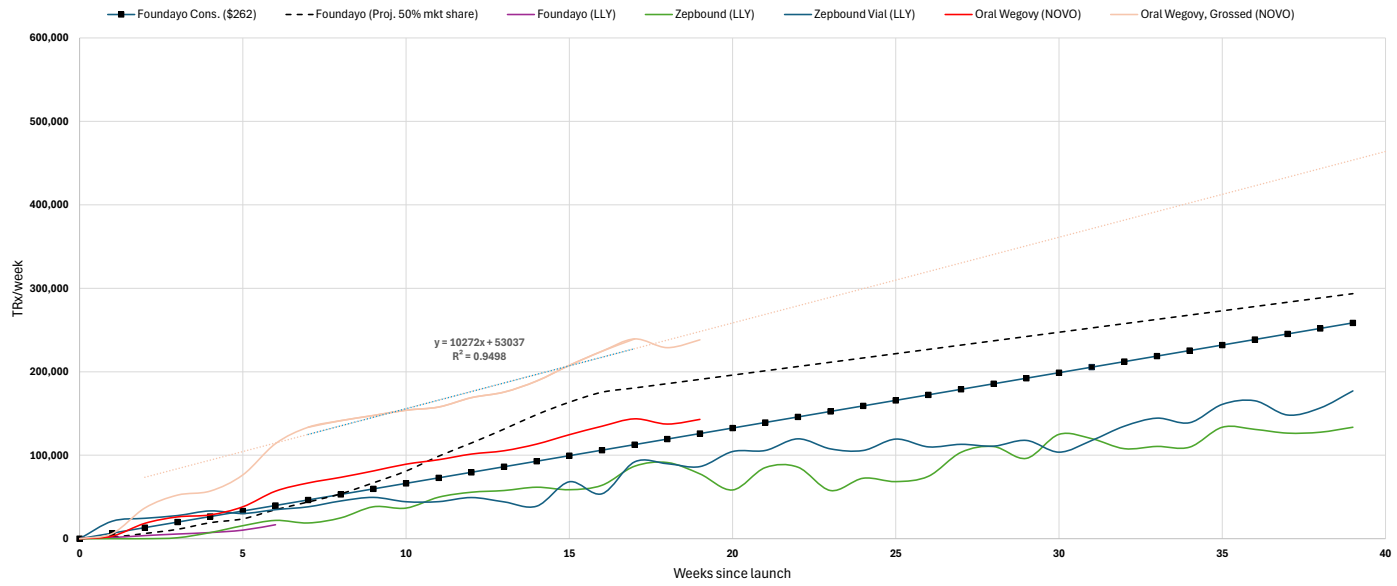
services, including transaction fees that are contingent upon the consummation of the transaction. Please refer to the notes at the end of the report.

Key Exhibits

Exhibit 1: GLP-1 Market Weekly TRx Comparison

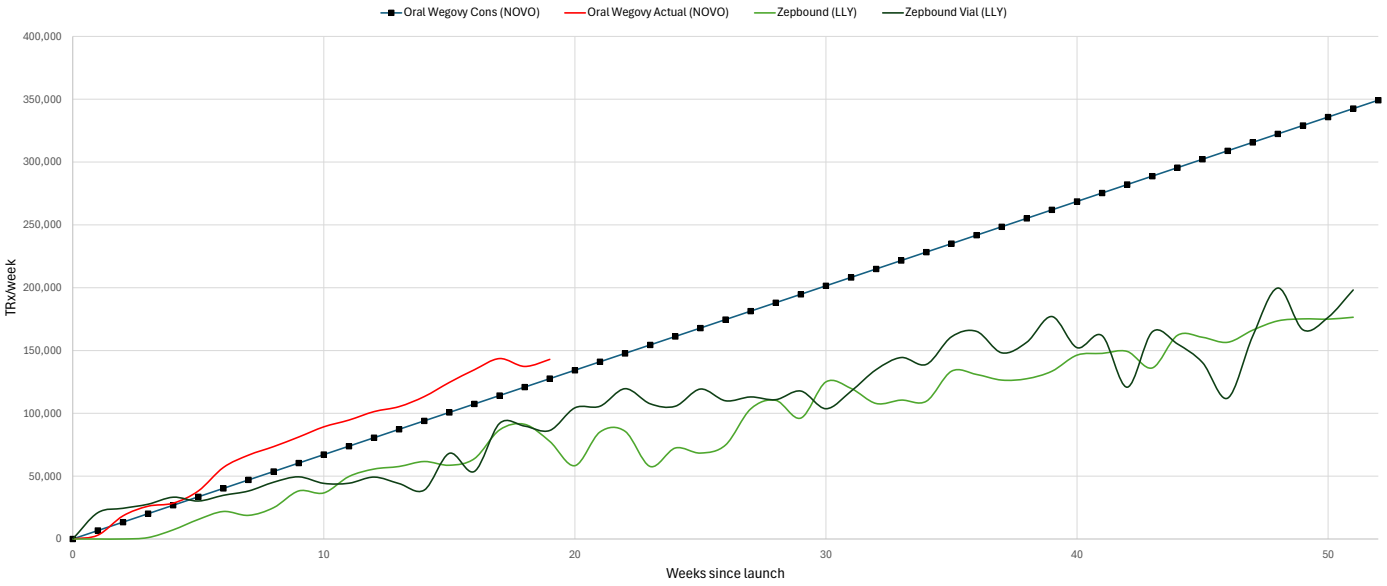
Date	GLP-1 (T2D+obesity) Market	GLP-1 (T2D+obesity) y/y (%)	Zep auto-injector	Zep kwikpen	Zep vials	Wegovy (ex-Oral)	Oral Wegovy	Foundayo	GLP-1 Total Obesity TRx	GLP-1 Total Obesity y/y (%)	GLP-1 Total Obesity w/w (%)	Obesity as % Total GLP-1	GLP-1 Total Oral Obesity TRx	Oral as % obesity	GLP-1 Total Oral Obesity w/w (%)	Oral as % Total GLP-1	LLY Total Obesity TRx	LLY Total Obesity w/w (%)	Novo Total Obesity TRx	Novo Total Obesity w/w (%)	LLY % of Total Obesity Share
2025 Peak (week of 12/5/2025)	2,390,000	33%	358,900		164,900	297,300			821,100	81%	23%	34.4%	0	0.0%		0.0%	523,800		297,300		63.8%
12/12/2025	2,323,000	34%	350,500		155,300	289,500			795,300	76%	(3%)	34.2%	0	0.0%	N/A	0.0%	505,800	(3%)	289,500	(3%)	63.6%
12/19/2025	2,351,000	33%	366,100		140,400	300,900			807,400	73%	2%	34.3%	0	0.0%	N/A	0.0%	506,500	0%	300,900	4%	62.7%
12/26/2025	1,894,000	32%	290,400		112,100	236,500			639,000	70%	(21%)	33.7%	0	0.0%	N/A	0.0%	402,500	(21%)	236,500	(21%)	63.0%
1/2/2026	2,201,000	35%	330,100		161,600	268,400	0		760,100	81%	19%	34.5%	0	0.0%	N/A	0.0%	491,700	22%	268,400	13%	64.7%
1/9/2026	2,119,000	31%	305,800		199,700	236,600	3,100		745,200	82%	(2%)	35.2%	3,100	0.4%	N/A	0.1%	505,500	3%	239,700	(11%)	67.8%
1/16/2026	2,122,000	24%	294,900		166,500	238,600	18,400		718,400	66%	(4%)	33.9%	18,400	2.6%	494%	0.9%	461,400	(9%)	257,000	7%	64.2%
1/23/2026	2,116,000	36%	292,300		176,400	233,500	26,100		728,300	84%	1%	34.4%	26,100	3.6%	42%	1.2%	468,700	2%	259,600	1%	64.4%
1/30/2026	1,996,000	17%	273,600		198,200	217,300	28,500		717,600	66%	(1%)	36.0%	28,500	4.0%	9%	1.4%	471,800	1%	245,800	(5%)	65.7%
2/6/2026	3,163,000	80%	310,800		263,900	247,500	38,200		860,400	91%	20%	27.2%	38,200	4.4%	34%	1.2%	574,700	22%	285,700	16%	66.8%
2/13/2026	2,324,000	32%	306,200		246,600	262,700	56,900		872,400	85%	1%	37.5%	56,900	6.5%	49%	2.4%	552,800	(4%)	319,600	12%	63.4%
2/20/2026	3,132,000	84%	296,800	0	204,100	261,700	66,700		829,300	79%	(5%)	26.5%	66,700	8.0%	17%	2.1%	500,900	(9%)	328,400	3%	60.4%
2/27/2026	2,373,400	22%	307,302	3,300	287,400	277,100	73,500		948,602	90%	14%	42.7%	73,500	7.7%	10%	3.3%	598,002	19%	350,600	7%	63.0%
3/6/2026	2,500,500	35%	324,400	11,500	289,600	296,400	81,200		1,003,100	96%	6%	40.1%	81,200	8.1%	10%	3.2%	625,500	5%	377,600	8%	61.2%
3/13/2026	2,453,500	33%	321,200	15,400	271,800	286,700	89,300		984,400	92%	(2%)	40.1%	89,300	9.1%	10%	3.6%	608,400	(3%)	376,000	(0%)	60.2%
3/20/2026	2,419,300	33%	316,800	19,800	272,000	292,300	94,700		995,600	94%	1%	41.1%	94,700	9.5%	6%	3.9%	608,600	0%	387,000	3%	59.1%
3/27/2026	2,504,900	35%	332,200	29,000	291,700	298,900	101,400		1,053,200	99%	6%	42.0%	101,400	9.6%	7%	4.0%	652,900	7%	400,300	3%	59.2%
4/3/2026	2,509,000	32%	343,600	30,400	258,500	279,400	105,400		1,017,300	87%	(3%)	40.5%	105,400	10.4%	4%	4.2%	632,500	(3%)	384,800	(4%)	59.2%
4/10/2026	2,461,700	30%	330,300	35,700	264,100	273,600	113,400	1,400	1,018,500	85%	0%	41.4%	114,800	11.3%	9%	4.7%	631,500	(0%)	387,000	1%	62.0%
4/17/2026	2,489,100	31%	339,300	39,300	236,700	291,700	124,600	3,700	1,035,300	88%	2%	41.6%	128,300	12.4%	12%	5.2%	619,000	(2%)	416,300	8%	59.8%
4/24/2026	2,482,500	32%	347,000	39,600	193,600	295,300	134,800	5,600	1,015,900	85%	(2%)	40.9%	140,400	13.8%	9%	5.7%	585,800	(5%)	430,100	3%	57.7%
5/1/2026	2,593,400	32%	361,300	53,500	235,800	296,800	143,600	7,300	1,098,300	91%	8%	42.3%	150,900	13.7%	7%	5.8%	657,900	12%	440,400	2%	59.9%
5/8/2026	2,597,400	36%	357,000	57,400	241,600	308,600	137,300	10,200	1,112,100	107%	1%	42.8%	147,500	13.3%	(2%)	5.7%	666,200	1%	445,900	1%	59.9%
5/15/2026	2,578,800	34%	357,100	59,500	225,800	311,200	143,000	16,700	1,113,300	94%	0%	43.2%	159,700	14.3%	8%	6.2%	659,100	(1%)	454,200	2%	59.2%

Exhibit 2: MS-estimated Foundayo (orforglipron) TRx trajectory to achieve 2026 consensus estimates vs. GLP-1 launch analog



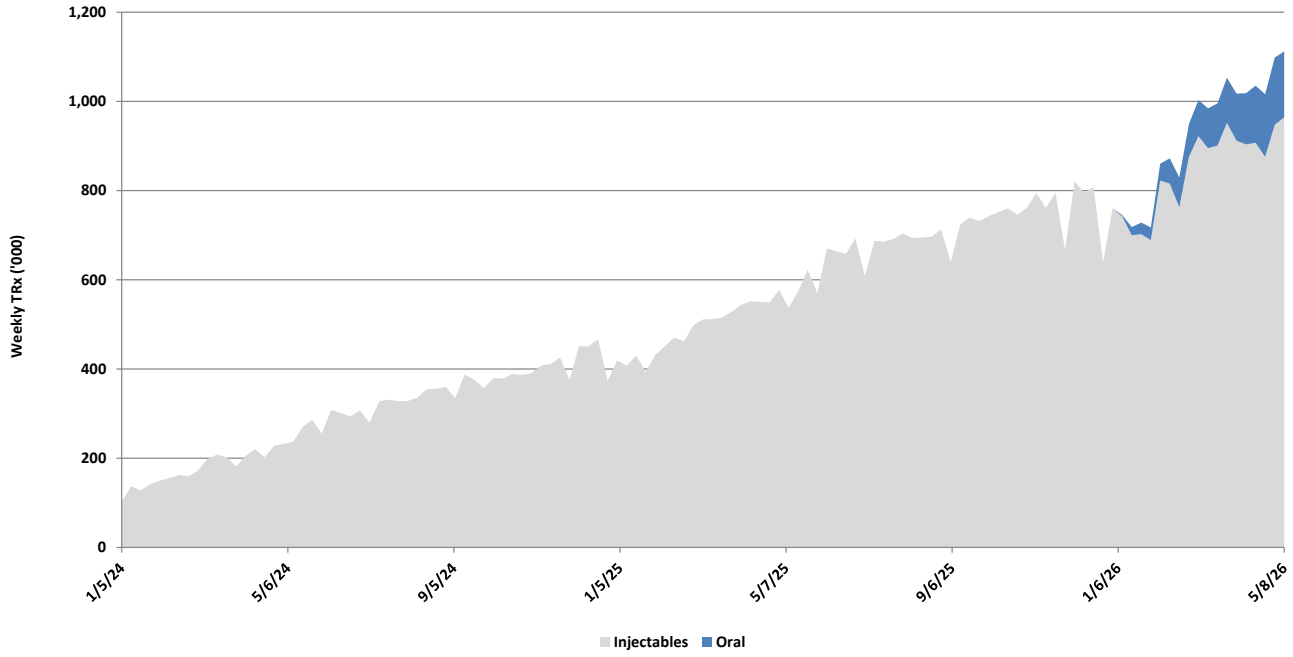
Source: IQVIA, MS Research; Zepbound Vial TRx since 2/14/2025

Exhibit 3: MS-estimated oral Wegovy TRx trajectory to achieve 2026 consensus estimates vs. GLP-1 launch analog



Source: IQVIA, MS Research; Zepbound Vial TRx since 2/14/2025

Exhibit 4: Obesity (Wegovy+Zepbound) Injectable and Oral



Views on LLY's Supply Outlook

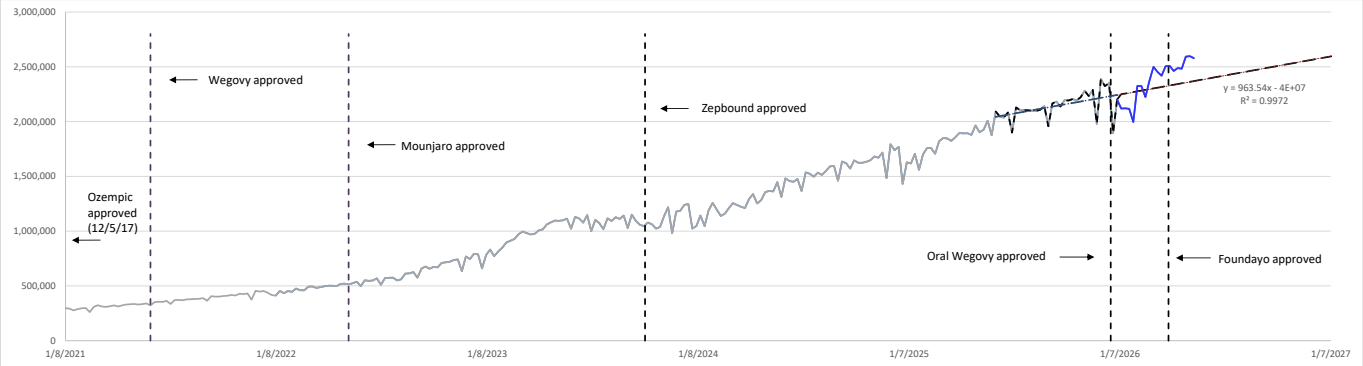
In response to questions regarding triangulating prescriptions to patients, we have attempted to estimate the number of patients on GLP-1 drugs currently. Based on recent TRx data, we estimate that ~11.2mn people in the US are on GLP-1s (Exhibit 5), of which ~6.4mn are on GLP-1s indicated for type 2 diabetes (Ozempic/Trulicity/Mounjaro), and ~4.8mn for those approved for obesity (Wegovy/Zepbound). For ease of calculation, we assume each TRx is for a month of therapy and that each patient stays on drug for the entire year (i.e., 12 TRx/patient/year).

Exhibit 5: Estimate of current annualized GLP-1 scripts and patients

	Week of 5/15/26	52	12
# in 000's	Weekly TRx	Annual TRx	# of people
Trulicity	124	6,442	537
Mounjaro	777	40,407	3,367
Zepbound	642	33,403	2,784
Foundayo	17	868	72
Ozempic	514	26,711	2,226
Rybelsus	51	2,655	221
Wegovy	454	23,614	1,968
Wegovy oral	143	7,434	619
Total type 2 diabetes	1,466	76,215	6,351
Total obesity	1,113	57,885	4,824
Total US GLP-1	**2,579**	**134,100**	**11,175**

Source: MS Research, IQVIA

Exhibit 6: Estimate of total US patients on GLP-1



Source: IQVIA, MS Research; Note: Estimate based on annualized TRx for Trulicity, Mounjaro, Zepbound, Ozempic, Rybelsus and Wegovy (including oral Wegovy). The trendline for the injectable GLP-1 market forward projection uses the most recent six months of data prior to the first oral GLP-1 approval (i.e., oral Wegovy on 12/22/2025). Refer to Exhibit 5 for the calculation based on the latest timepoint.

A key area of investor focus has been on LLY's GLP-1 manufacturing capabilities and the timing and magnitude at which they can expand to meet underlying demand. Based on our work, it appears that LLY's RTP facility is currently annualizing at ~30mn TRx out of 30mn peak auto-injector capacity. Although LLY noted on the company's 2Q24 call that recent supply performance has been driven by the totality of the network, rather than

solely from RTP, hence this could be an overestimate of the pace of the ramp. As a result, we previously reassessed our auto-injector supply build and include additional fill/finish sites (including National Resilience in Ohio), as well as provide our detailed projection of timing of the potential supply ramp - see HERE. **LLY noted that the FDA approved its Concord manufacturing facility (end of Dec '24/early Jan '25)**, which in our view is a positive and will be another driver of increasing Tirzepatide auto-injector supply this year.

LLY discussed during 3Q22 earnings that they would be bringing on two new facilities (one at the Research Triangle Park, or "RTP", and a second in Concord, North Carolina) to expand their autoinjector capacity (device used for Trulicity, Mounjaro US, and Zepbound US). LLY discussed that the first facility, RTP, would be online in 2H23 and would double its capacity at the time, and that the Concord facility was a similar size to RTP. The RTP facility has been online since Aug. 2023 and LLY confirmed they have met their goal of 2x capacity in 2H23 vs. 3Q22. The Concord facility has been completed and will start shipping product in 2025. We'd also highlight that Indiana's LEAP manufacturing facility (LINK) is scheduled to be completed in 1Q25 - with a focus on API synthesis/gene therapy production. The ConstructionWire data (Exhibit 7) shows smaller footprint manufacturing facilities being planned for new construction/renovation with near/mid-term completions. LLY also announced on 2/26/25 plans to double its US manufacturing investment, which includes 4 new manufacturing sites - see HERE, but unclear at this point how much is for incretins vs. other medicines.

We have estimated (see below and our prior analysis HERE) that LLY's capacity during 3Q22 was ~30mn autoinjector TRx, and that it will reach ~90mn from bringing the two additional North Carolina facilities online. LLY also announced that it is beginning construction on another new facility in Germany, which it expects be online in 2027 (which could be a similar footprint to RTP/Concord). LLY acquired an injectable manufacturing facility from Nexus Pharmaceuticals (privately held, LINK) in Prairie, WI, which could add an incremental ~10mn annual TRx to the company's existing footprint based on our work - see HERE. Further, on Dec. 5, 2024 LLY announced (link) a $3bn expansion of their manufacturing facility in Wisconsin. Per the PR, the expansion will increase LLY's injectable manufacturing capabilities to meet demand for diabetes/obesity drugs, as well as future pipeline products. **We previously updated our peak injectable capacity estimates, assuming an additional ~15mn annual TRx that begin to come online by YE28; see** Exhibit 9 .

The timing at which the new supply will come online from these facilities (i.e., when they will be producing at levels approaching their full capacity) is uncertain, and we have made our own estimates (shown below). LLY also launched a vial presentation for Zepbound (2.5mg/5mg doses) in Aug 2024, which they expect to have a more material impact in 2025 - see HERE. On 2/25/25, LLY expanded the Zepbound vial offering to include 7.5mg/10mg doses.

Exhibit 7: LLY's Ongoing/Planned Construction Projects in the U.S.

Title/Location	Stage (Start/End)	Const. Type	Project Type (Size)	Value ($mn)
Lilly Medicine Foundry Lebanon, IN	Starts in 4-12 mos 7/2025 - 3Q/2027	New	Manuf./Indust./Warehouse (202,147 sq. ft)	$25-$100
Lilly Pharma Manf. Renovation Concord, NC	Early Construction 10/2024 - 4Q/2025	Renovation	Manuf./Indust./Warehouse (100,000-249,999 sq. ft)	$38
Delaware Street Industrial Building Indianapolis, IN	Planning	Renovation	Manuf./Indust./Warehouse (50,000-99,999 sq. ft)	$5-$25
Lilly Institute for Genetic Medicine Boston, MA	Completed (<6 mos) 10/2021 - 3Q/2024	New	Office/Research/Techn. (293,000 sq. ft) Medical	$700
Eli Lilly and Co. Manufacturing Facilities Lebanon, IN	Under Construction 04/2023 - 1Q/2025	New	Research/Techn. (250,000+ sq. ft) Manuf./Indust./Warehouse (660,000 sq. ft)	$2,100
The Grounds at Concord Concord, NC	Completed (<6 mos) 06/2022 - 2Q/2024	New	Manuf./Indust./Warehouse/Res./Dev. (800,000 sq. ft)	$1,000
Multi-Building Pharma Res./Dev. And Manuf. Campus Lincoln Township, IN	Construction 05/2023 - 10/2027	New	Res./Techn. (100,000-249,999 sq. ft)	>$100
Eli Lilly and Co. Pharma Manufacturing Facility Durham, NC	Planning	New	Manuf./Indust./Warehouse (100,000-249,999 sq. ft)	$25-$100

At peak, we estimate LLY's current injectable platform (autoinjectors+Kwikpen) can deliver ~$100bn in total sales (obviously $/script is still evolving) and serve the equivalent of ~22mn patients (Exhibit 9). LLY could make future investments to build additional capacity as well. That said, we believe that in order to achieve statin-like penetration levels of the US market (which we believe is attainable), orals will likely be needed given injectable capacity constraints. Please see our deep dive note (HERE) for further detail.

Outside the US, LLY has launched Mounjaro in certain markets using a syringe/vial presentation, and will be transitioning its OUS markets to its Kwikpen (repurposed from the company's insulin platform) as the device is approved in each geography. We have estimated that Kwikpen could add ~55mn more TRx capacity for OUS markets. Kwikpen was approved in the UK, which was its first major market (see our note HERE) and subsequently in the EU (see HERE). Per 2Q24 commentary, the Kwikpen ramp thus far has included UK, Germany, Saudi Arabia and UAE, with a recent approval in Spain. Kwikpen was also recently made available in Australia (link). We have discussed that we see the OUS opportunity as a potential source of underappreciated upside.

On 3/11/26, LLY reported plans to invest $3bn in China over the next decade to expand local supply-chain capacity, including establishing localized manufacturing for oral solid dosage forms (LINK). The investment will primarily support production of orforglipron (oral GLP-1), for which LLY China submitted marketing applications to the NMPA (China's FDA equivalent) for obesity and T2D at the end of 2025. LLY noted cumulative investments in China now total ~$6bn across cardiometabolic health, neuroscience, oncology, and immunology. In our view, the latest investment underscores LLY's confidence in the commercial potential in China for orfor.

See our prior work on LLY's supply ramp in "Mapping GLP-1 Supply".

Exhibit 8: LLY Kwikpen Capacity Estimates

Key Assumptions	
US % of WW Volumes	45%
Capacity Utilization	70%
Kwikpen excess capacity for OUS Tirzepatide	80%

Kwikpen Volumes

US Insulin Kwikpen Volumes	72
OUS	88
WW Kwikpens Sold	160
WW Capacity @ 100% Utilization	229
Excess available capacity @ 100% Utilization	69
Excess Available Capacity for Kwikpens (mn)	55
Patient capacity (mn)	4.6

Autoinjector Peak Capacity Estimates

LLY GLP-1 capacity analysis	Annual TRx (mns)
Mounjaro+Trulicity TRx 11/4/2022	22
Mounjaro+Trulicity TRx Peak in LTM	26
Avg Mounjaro+Trulicity US TRx - 2022	24
Trulicity TRx 11/4/22	13
Trulicity TRx Peak in LTM	15
Avg Trulicity ex-US TRx (estimated)	6
LLY Capacity as of 4Q22	31
Patient capacity (mn)	2.6

Source: MS Research, Company Data, IQVIA

Exhibit 9: Estimated Peak Sales from LLY's incretin injector platform (TRx/people in 000's)

LLY peak capacity (MSe)	Annual TRx	# of people	$/script	Sales ($bn)
Auto-injectors				
Base	30,000	2,500	$450	$ 14
RTP, NC (Aug 2023)	30,000	2,500		$ 14
National Resilience, OH (2024)	50,000	4,167		$ 23
Concord, NC (4Q24/1Q25)	30,000	2,500		$ 14
Pleasant Prarie, WI (YE25) - Part I	10,000	833		$ 5
Pleasant Prarie, WI (YE28) - Part II	15,000	1,250		$ 7
BSP, Rome (YE25)	15,000	1,250		$ 7
Alzey, Germany (1H27)	30,000	2,500		$ 14
Total auto-injectors	210,000	17,500		$ 95
Kwikpens	55,000	4,583	$200	$11
Total	265,000	22,083		$ 106

Source: MS Research

As a point of context, AMGN noted that their manufacturing platform will deliver ~43mn auto-injector devices in 2024. We note that many of AMGN's drugs are dosed less frequently than LLY's Tirzepatide (weekly). REGN noted on the company's 2Q25 conference call that Catalent's Indiana fill/finish facility produces 70-80bn doses each year.

Additional Exhibits

Market Share

Exhibit 10: Weekly GLP-1 TRx for **T2D+Obesity** (RHS) and % market share for LLY vs. Novo (LHS)

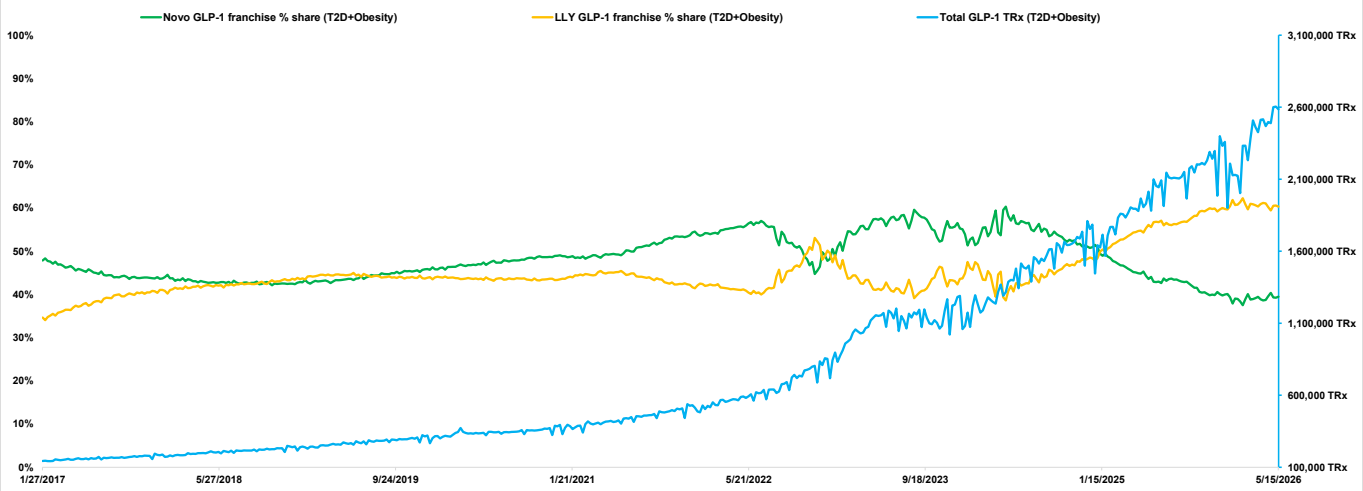


Exhibit 11: Weekly GLP-1 TRx for **T2D**: Mounjaro+Trulicity+Ozempic TRx (RHS) and % market share (LHS)

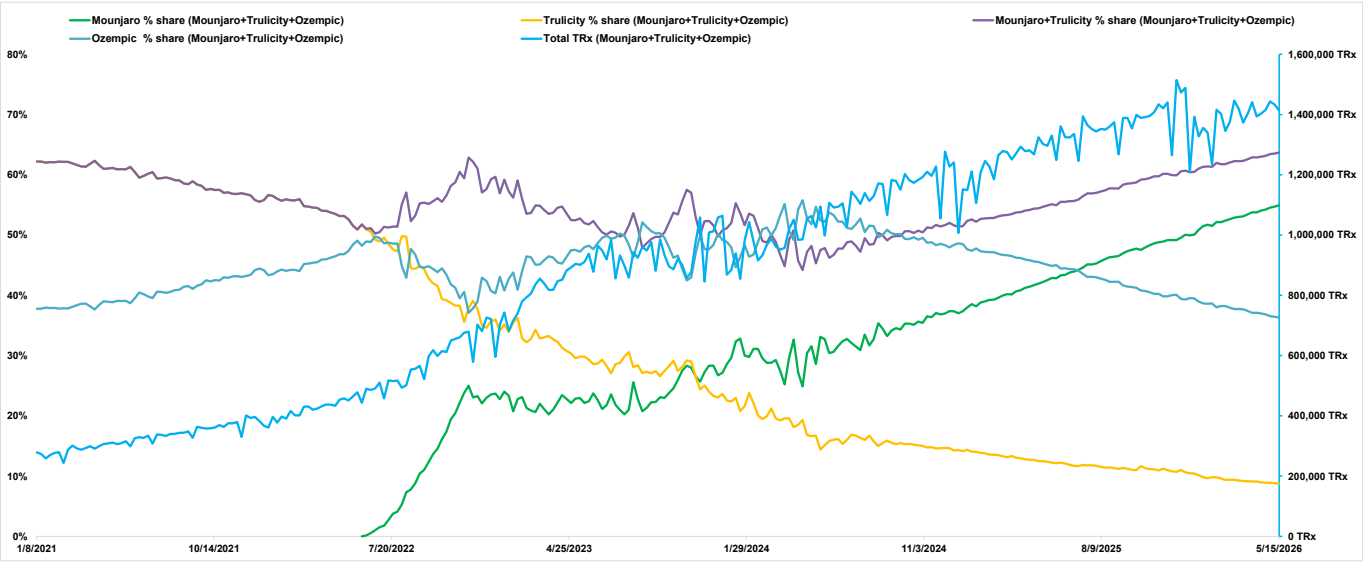
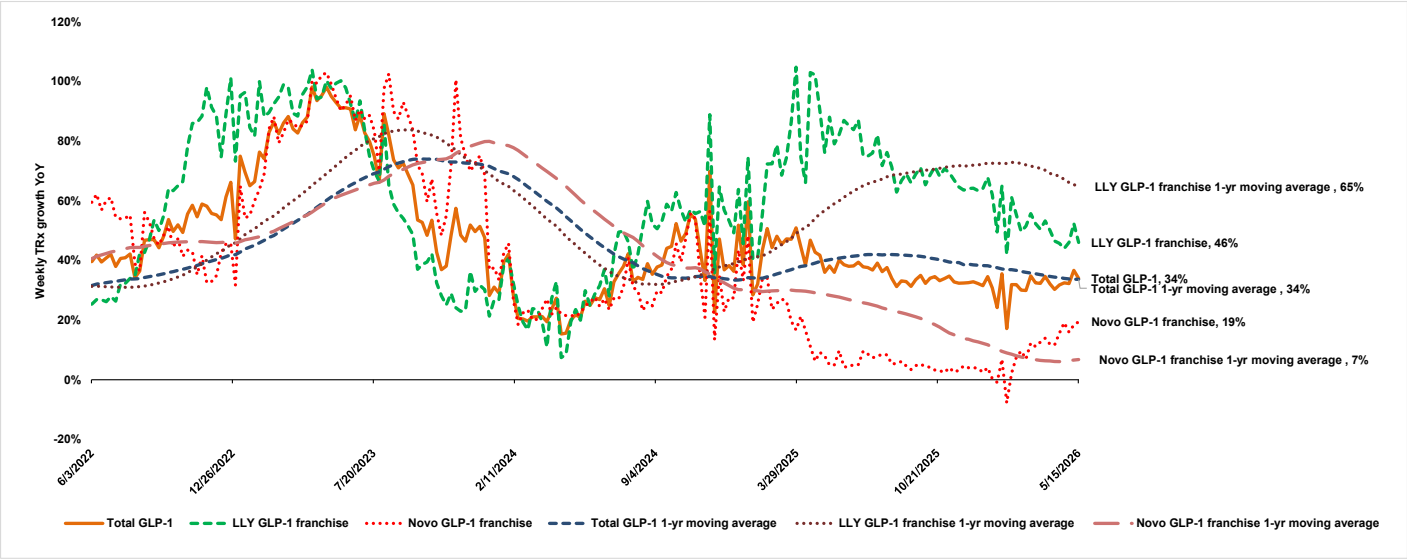


Exhibit 12: Weekly GLP-1 TRx for **Obesity**: Wegovy+Zepbound TRx (RHS) and % market share (LHS)

TRx Data

Exhibit 13: Weekly GLP-1 **TRx Growth YoY** (and rolling one-year averages for Total GLP-1, LLY and Novo)



*Wegovy YOY data are choppy due to prior supply issues hence we do not show it separately. For Novo Rybelsus and oral Wegovy are included.

Exhibit 14: Weekly TRx by GLP-1 product

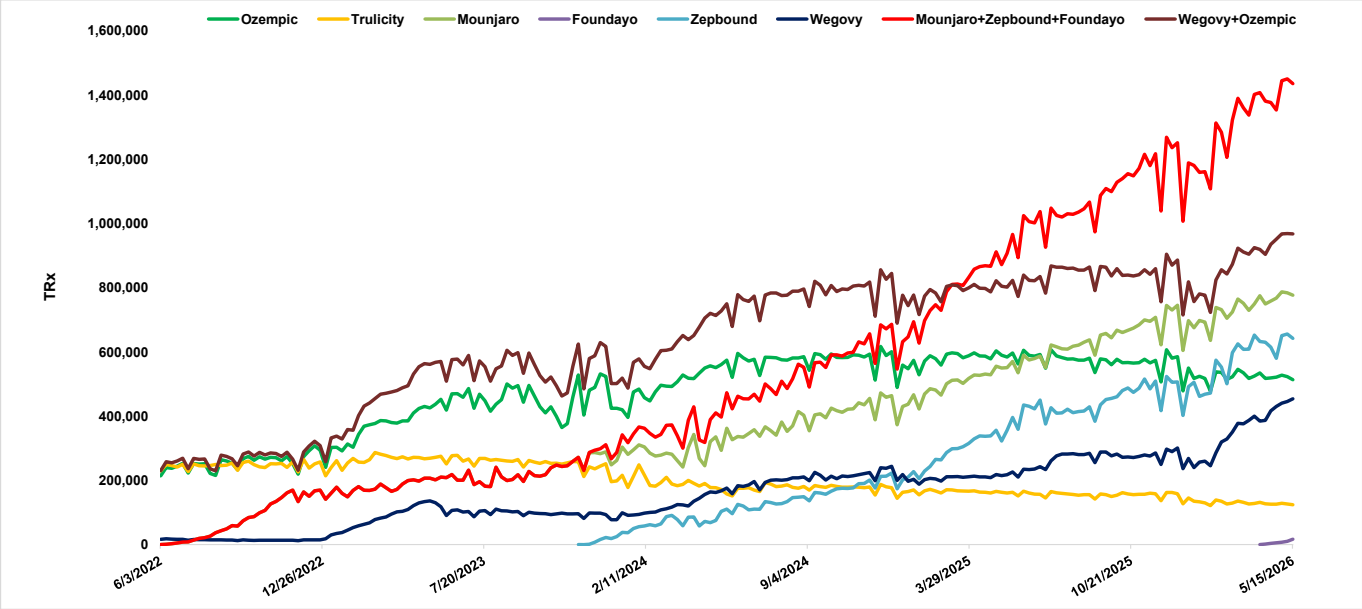
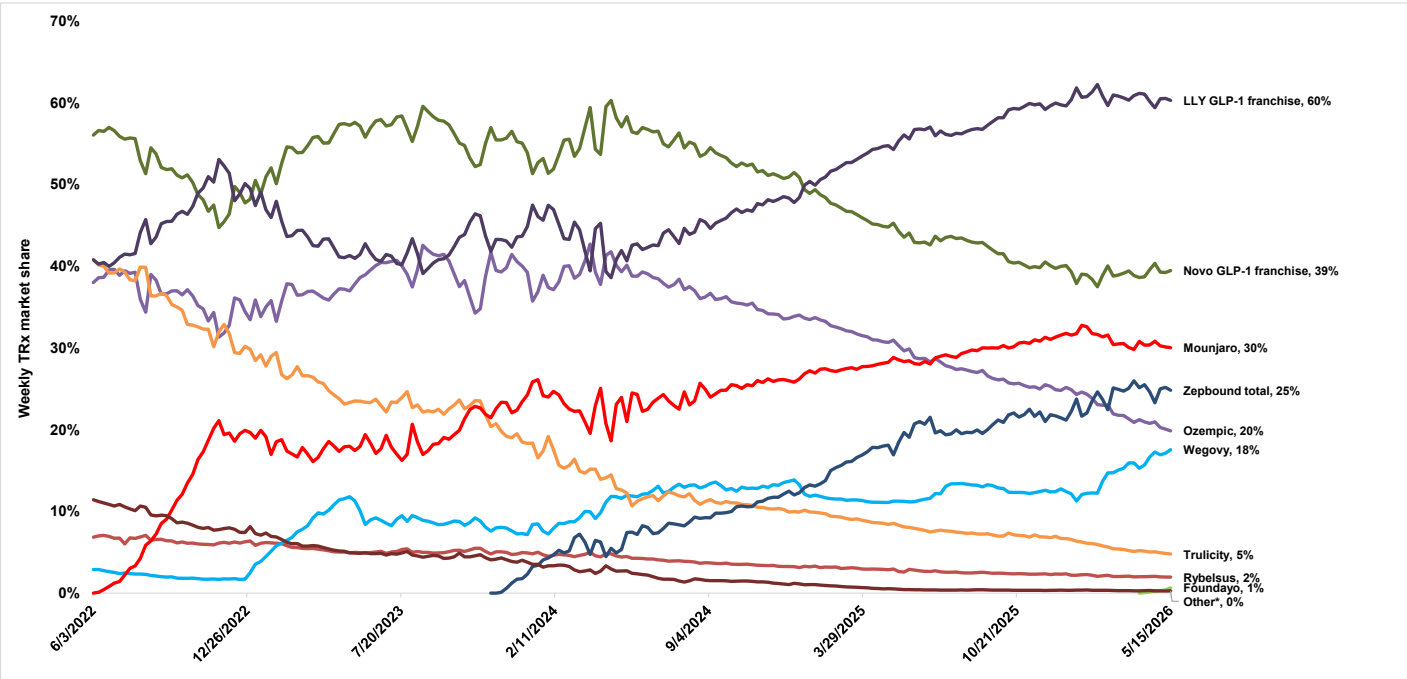


Exhibit 15: Weekly GLP-1 TRx Share



*Adlyxin, Soliqua, Victoza, Byetta+Bydureon are part of other; Wegovy includes injectable and oral

Exhibit 16: Wegovy inj TRx by strength (includes Wegovy HD)

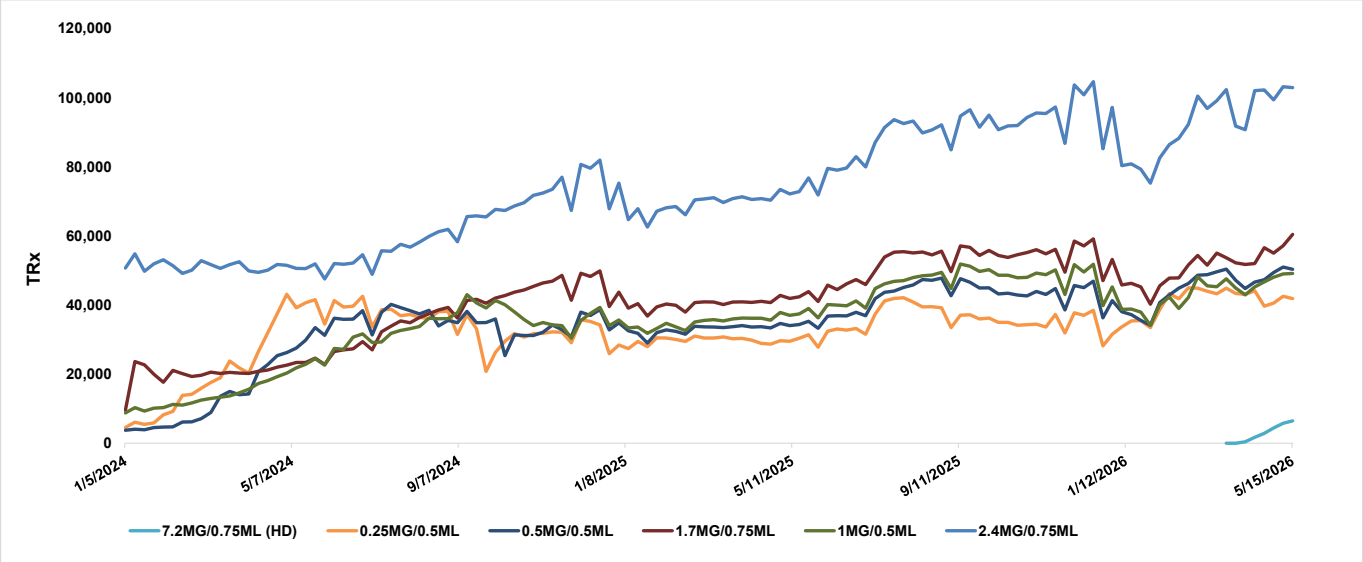


Exhibit 17: Wegovy oral TRx by strength

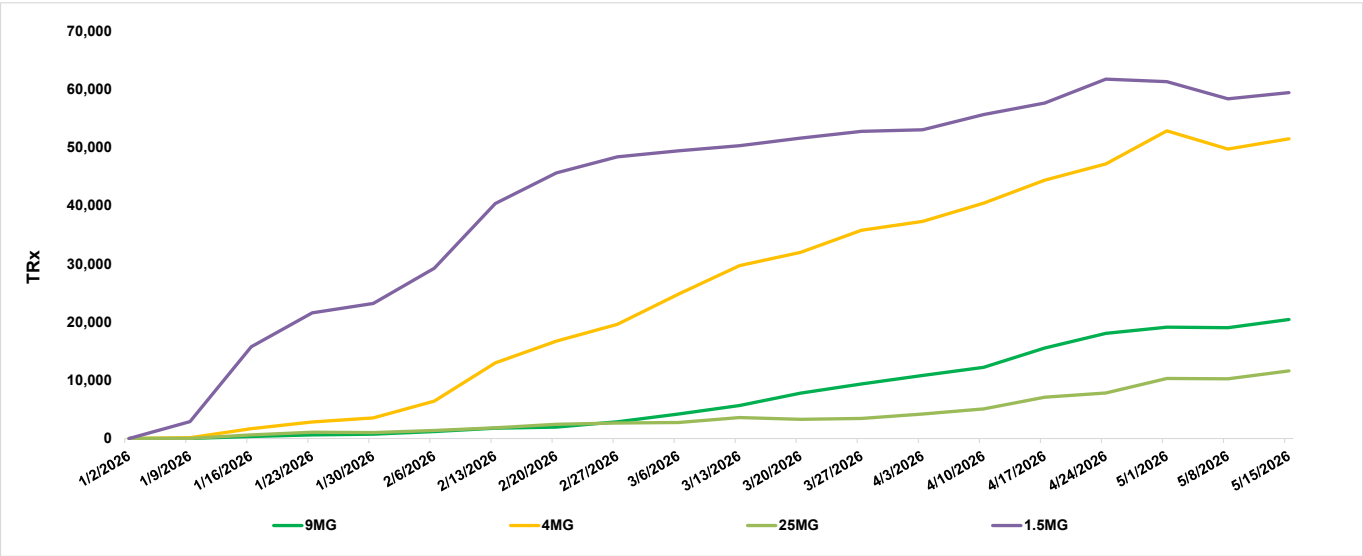


Exhibit 18: Zepbound TRx by strength

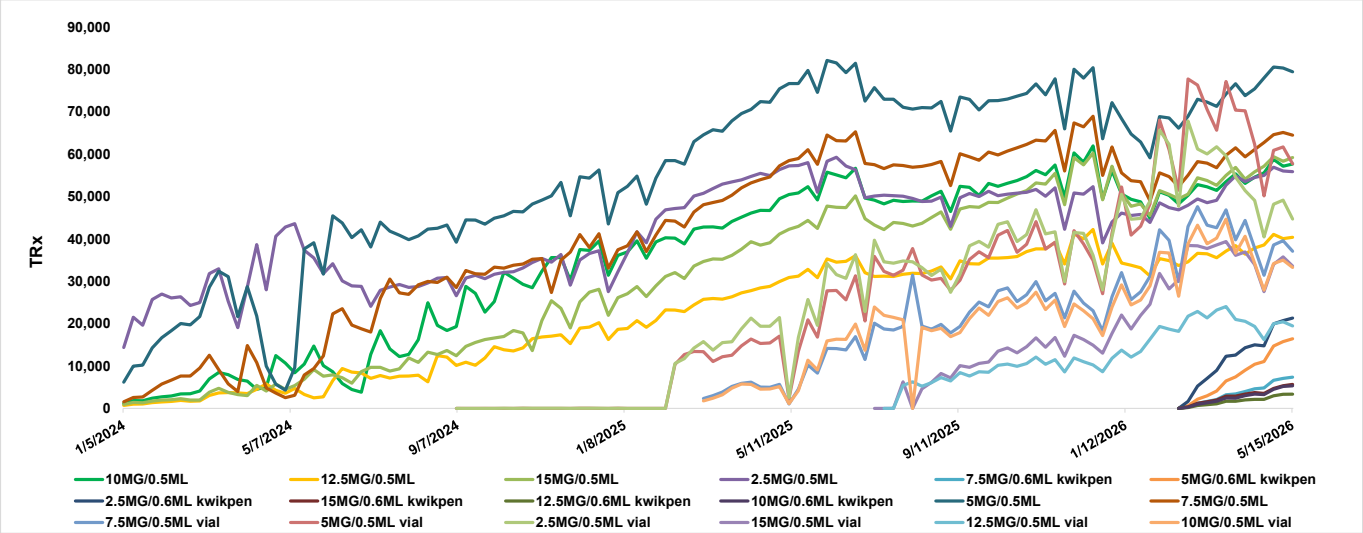


Exhibit 19: Zepbound TRx: autoinjector vs. vial

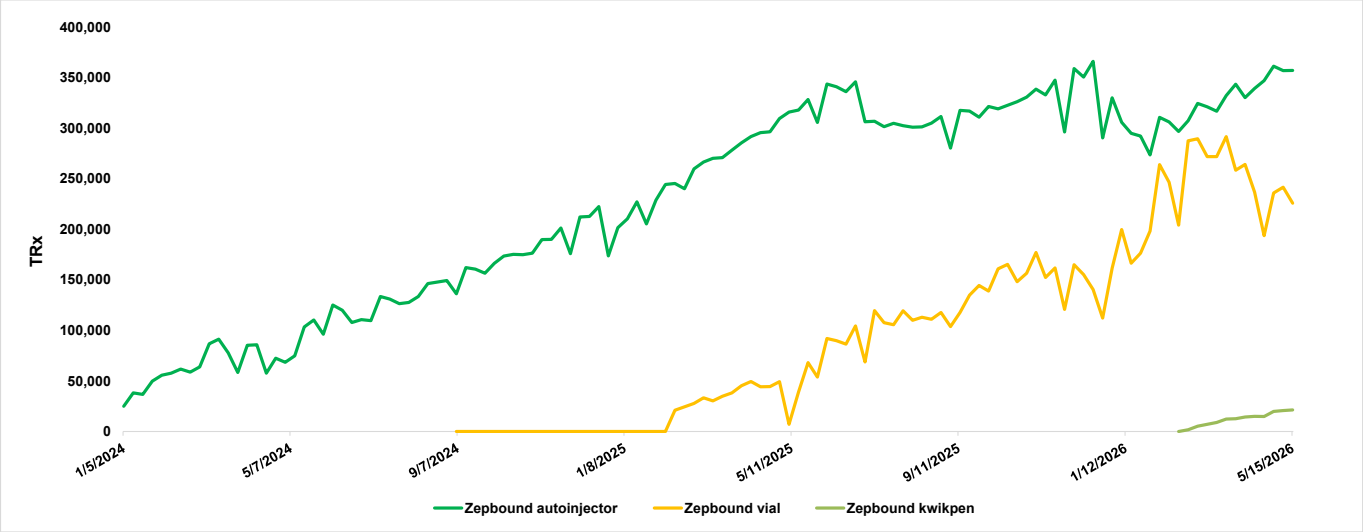


Exhibit 20: Wegovy TRx: Inject. vs Oral

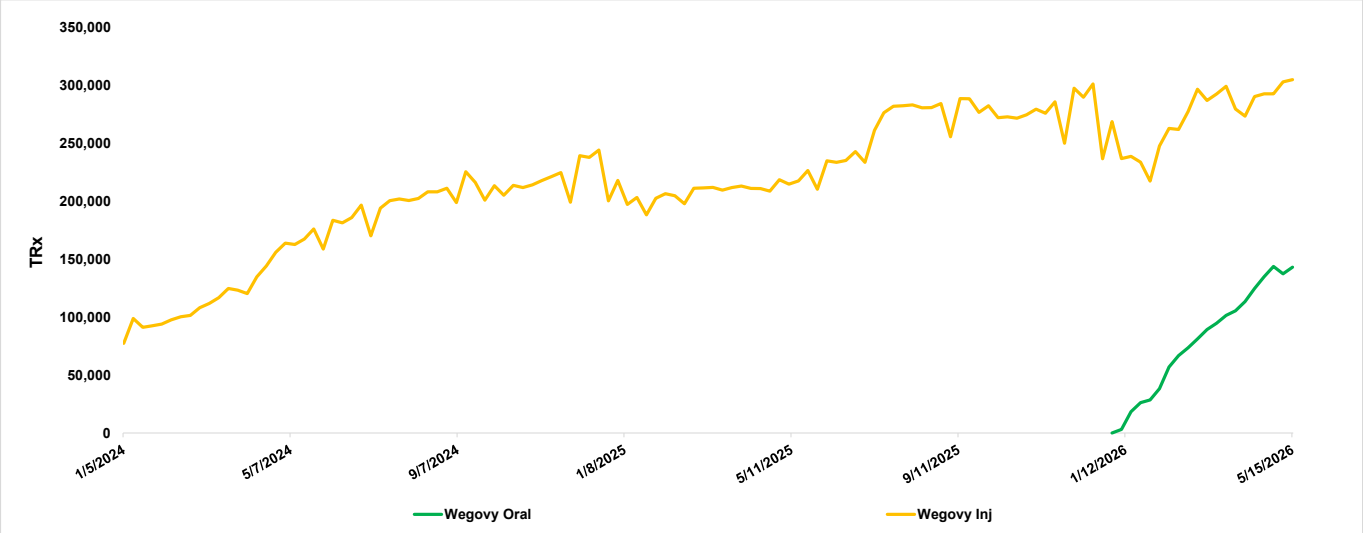


Exhibit 21: Mounjaro TRx by strength

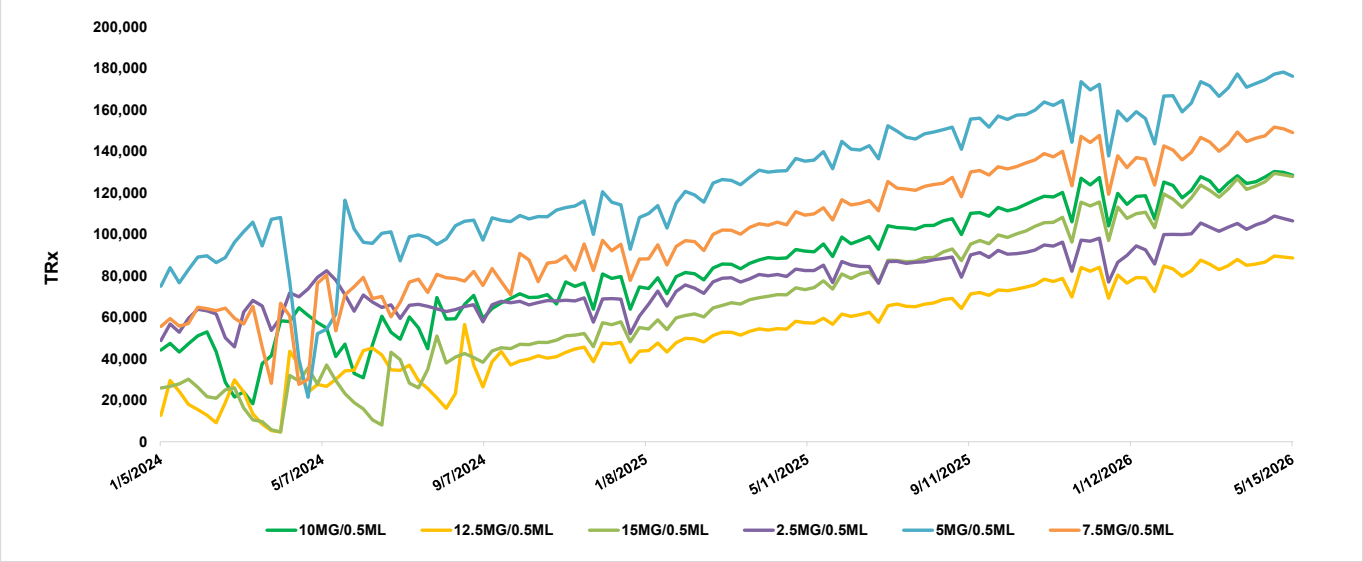


Exhibit 22: Foundayo TRx by strength

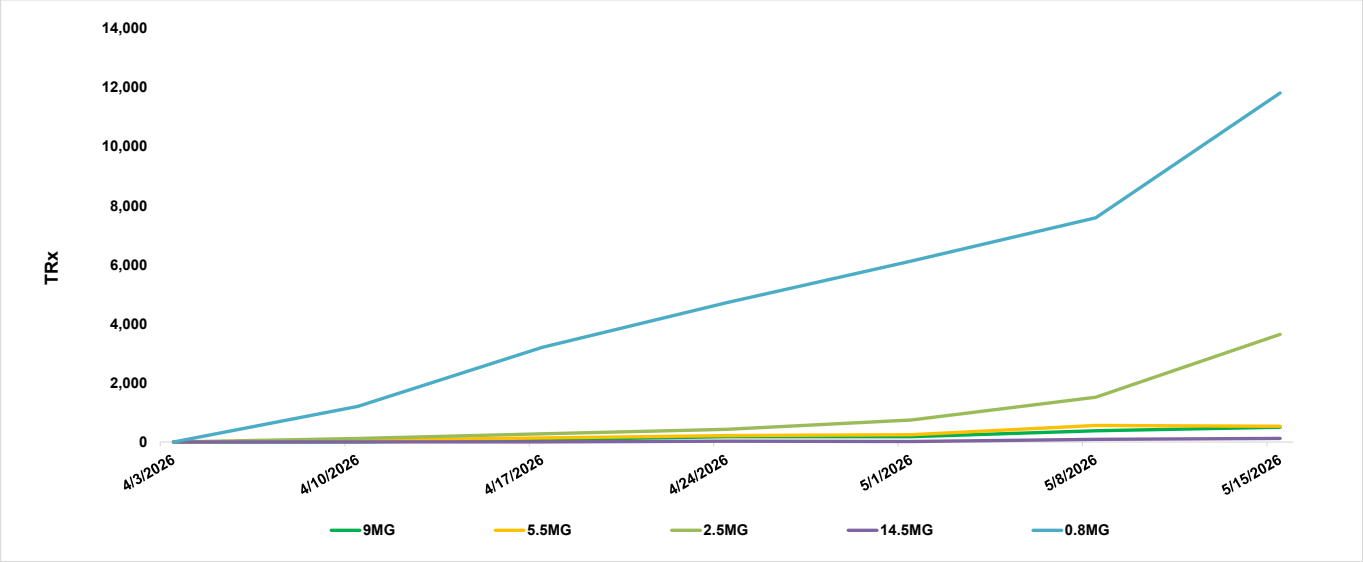
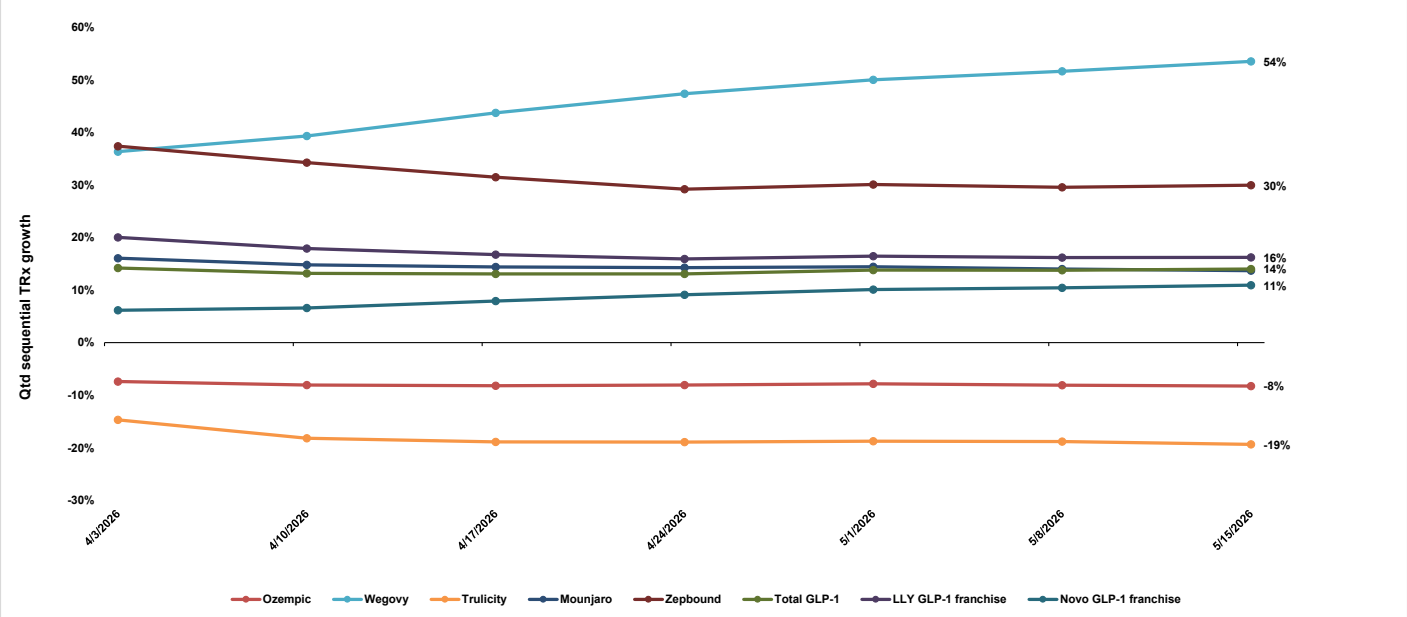
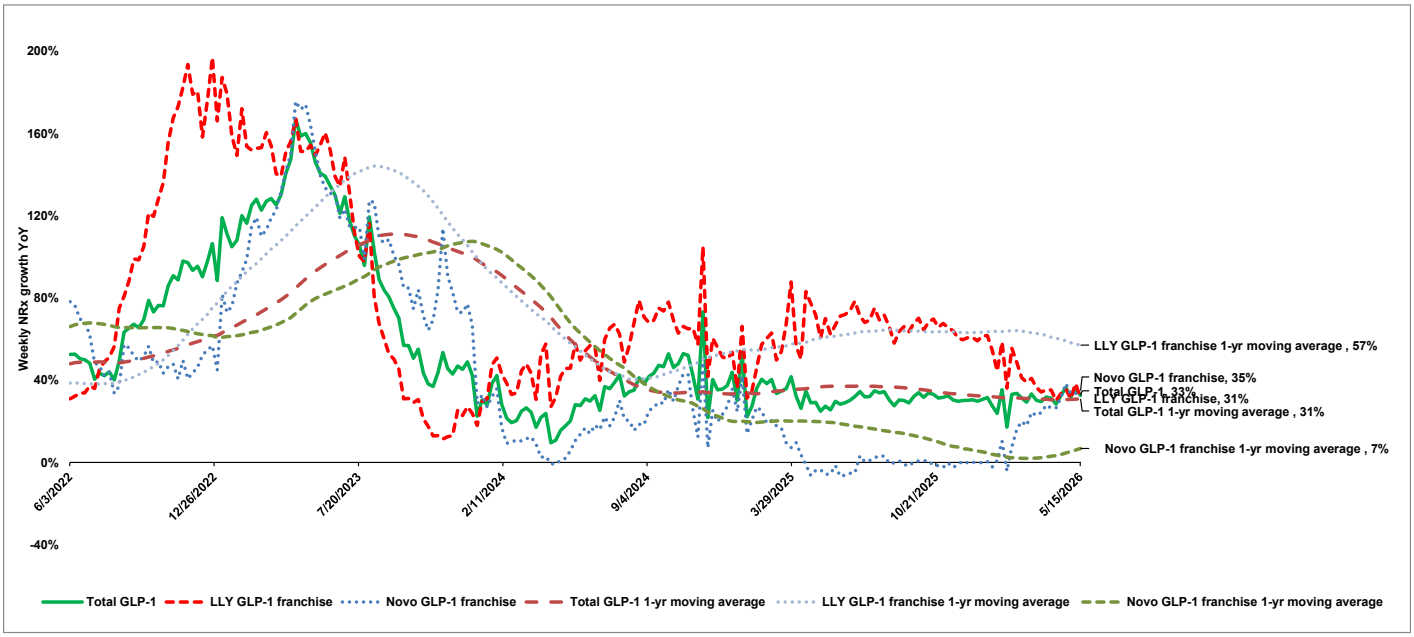


Exhibit 23: Qtd Seq TRx Growth



NRx Data

Exhibit 24: Weekly GLP-1 **NRx Growth YoY** (and rolling one-year averages for Total GLP-1, LLY and Novo)



*Wegovy YoY data are choppy due to prior supply issues hence we do not show it separately. For Novo Rybelsus and oral Wegovy are included.

Exhibit 25: Weekly NRx by GLP-1 product

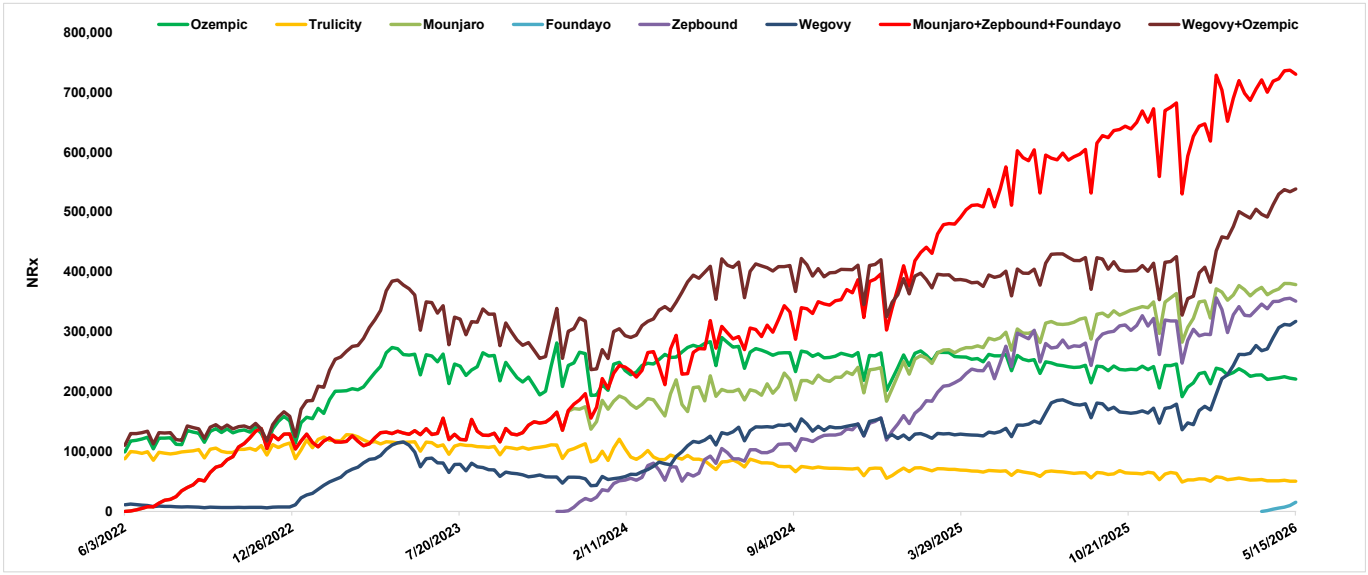
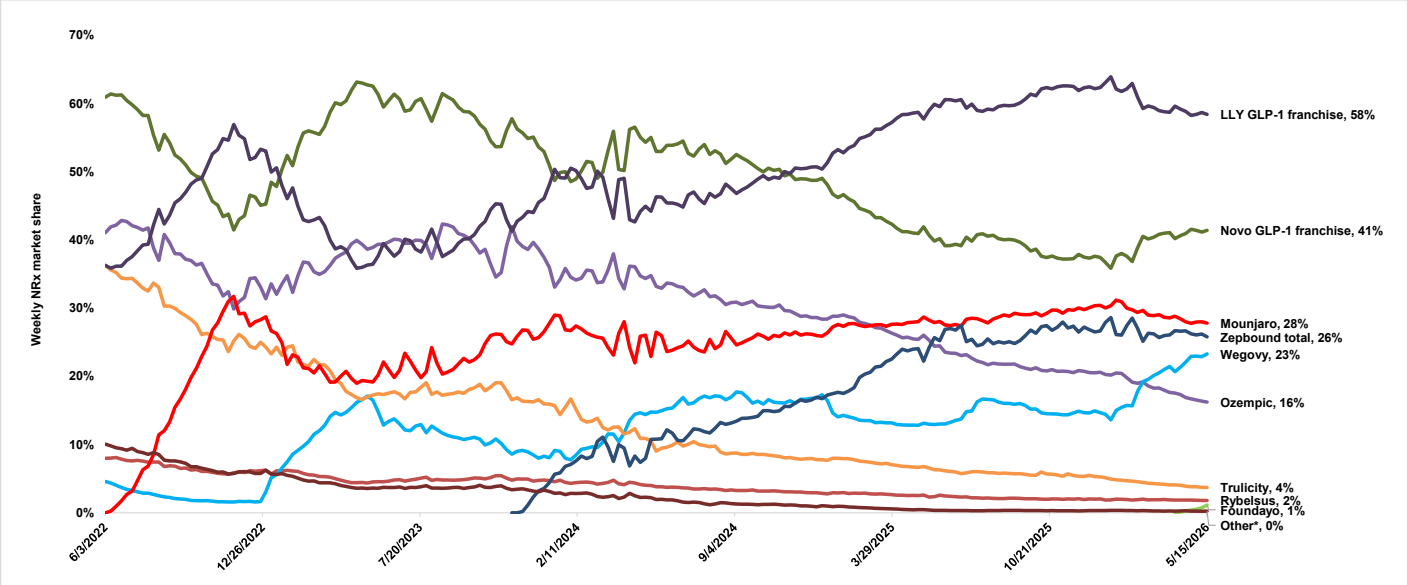


Exhibit 26: Weekly GLP-1 NRx Share



*Adlyxin, Soliqua, Victoza, Byetta+Bydureon are part of other. For Wegovy this includes injectable and oral.

Exhibit 27: Wegovy inj NRx by strength (includes Wegovy HD)

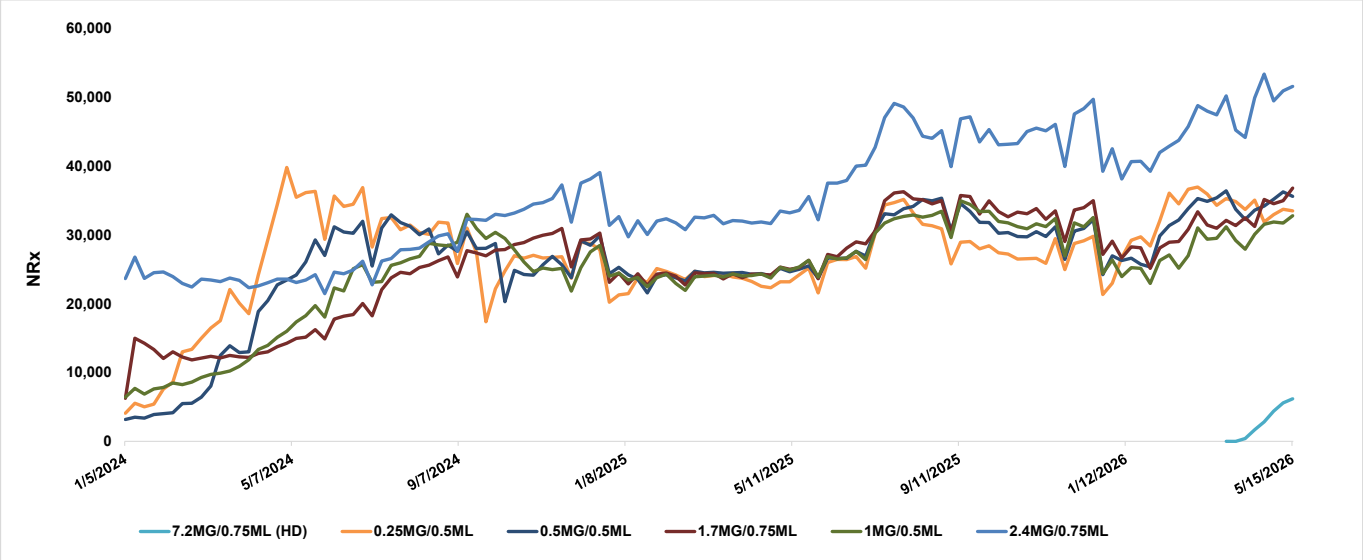


Exhibit 28: Wegovy oral NRx by strength

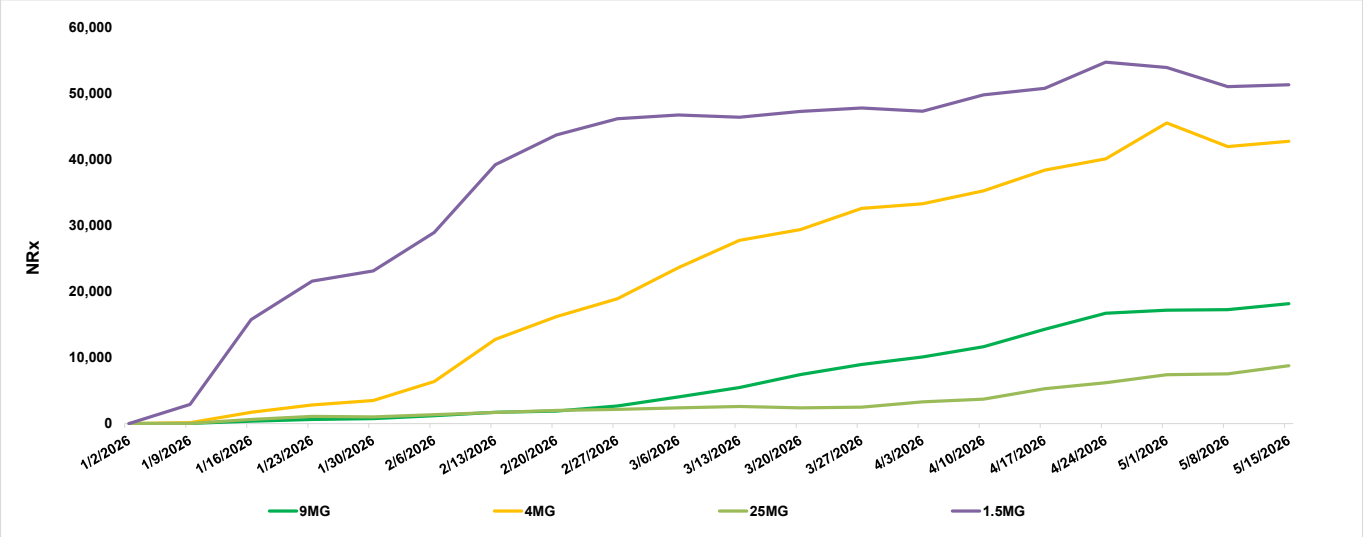


Exhibit 29: Zepbound NRx by strength

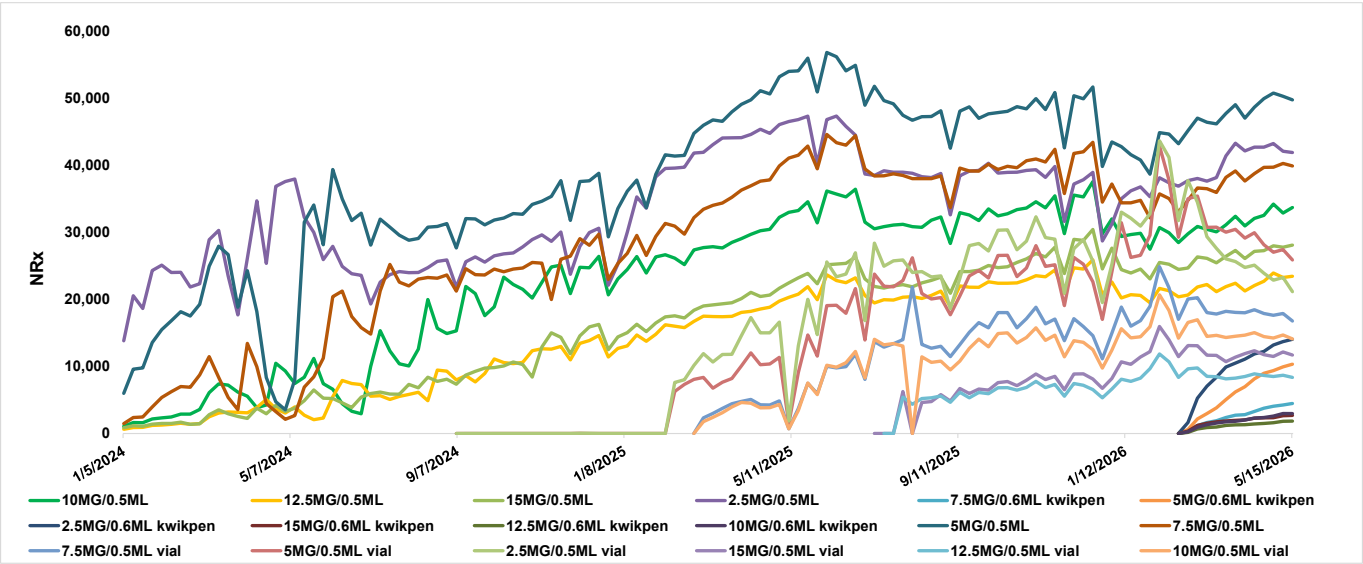


Exhibit 30: Zepbound NRx: autoinjector vs vial vs Kwikpen

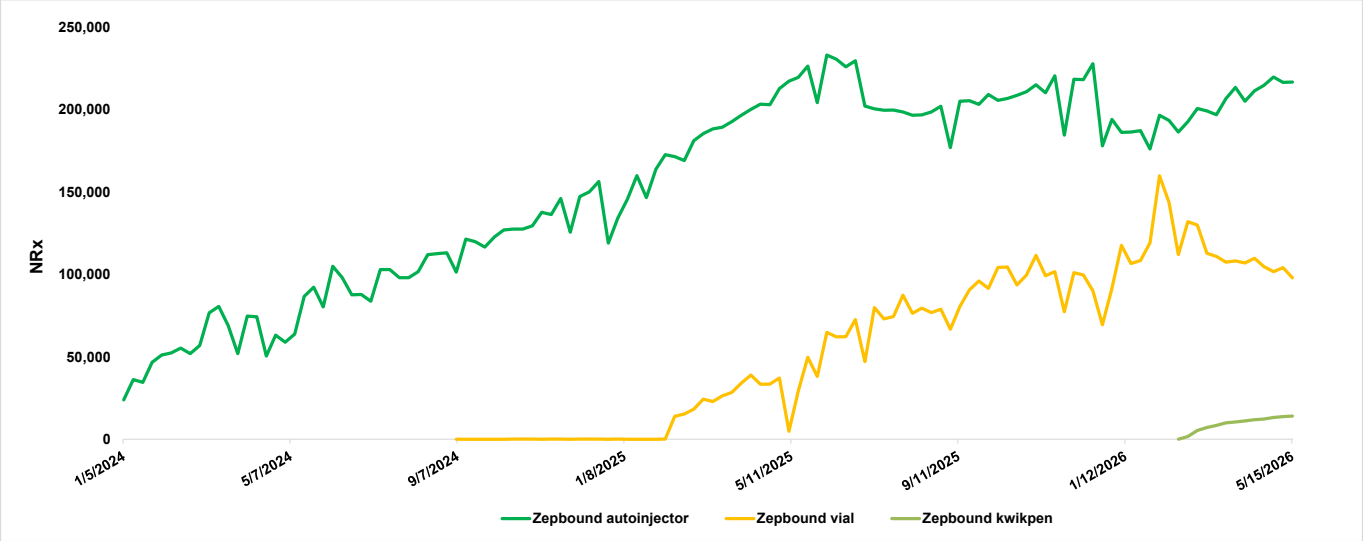


Exhibit 31: Wegovy NRx: Inject. vs Oral

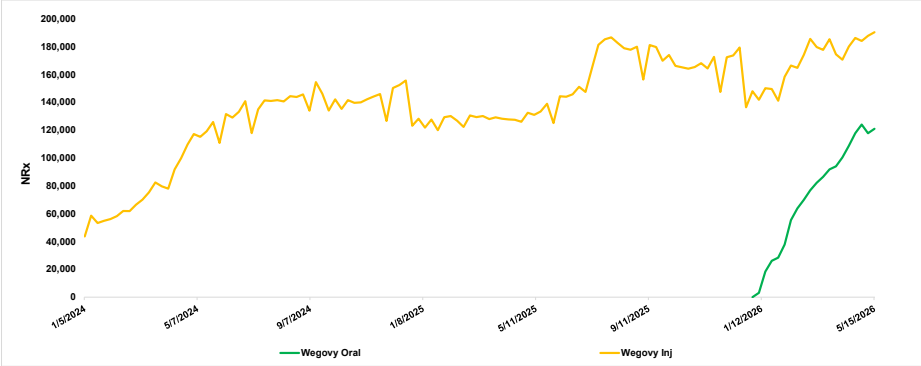


Exhibit 32: Mounjaro NRx by strength

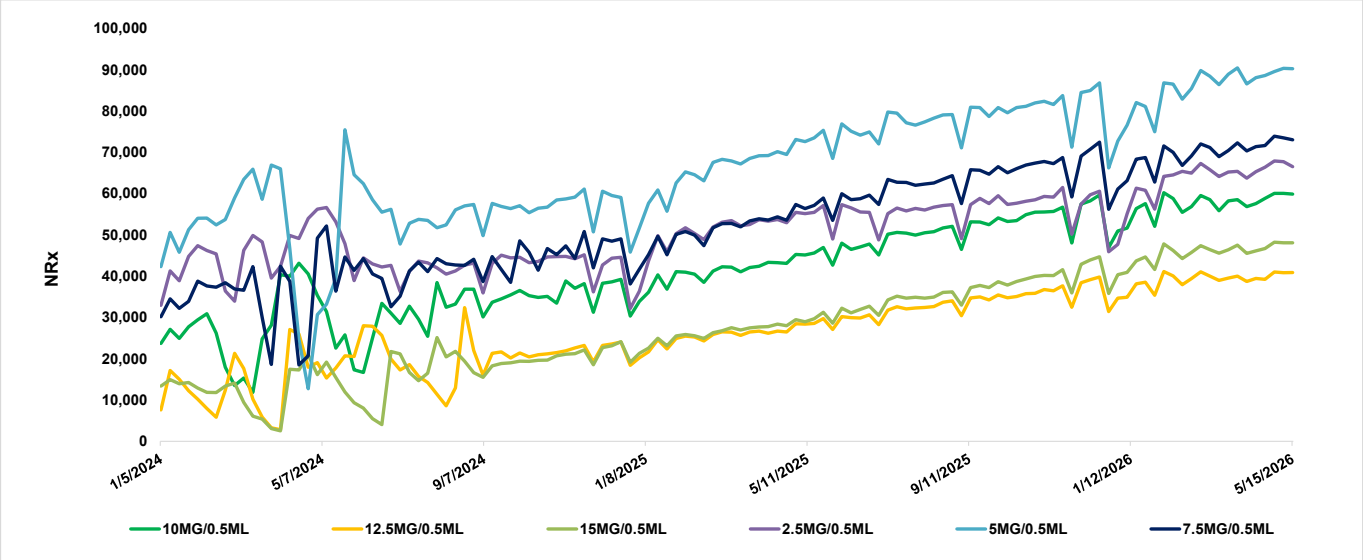
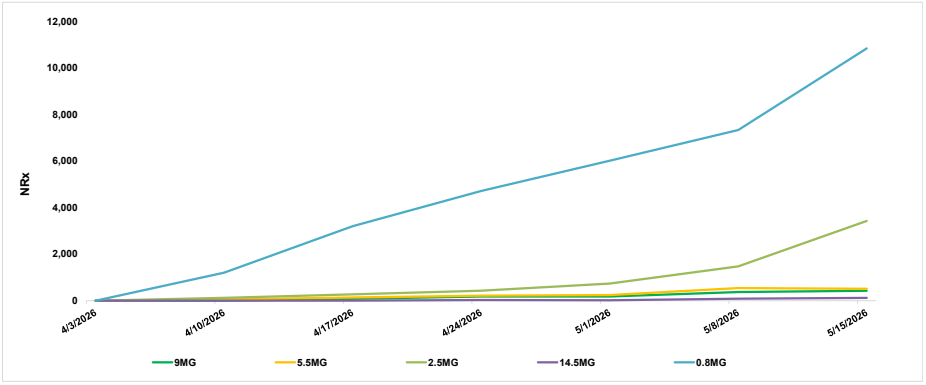


Exhibit 33: Foundayo NRx by strength



Time Zero Launch Comparisons

Exhibit 34: Time zero initial-dose NRx comparison of oral Wegovy with Zepbound Autoinjector/Vial

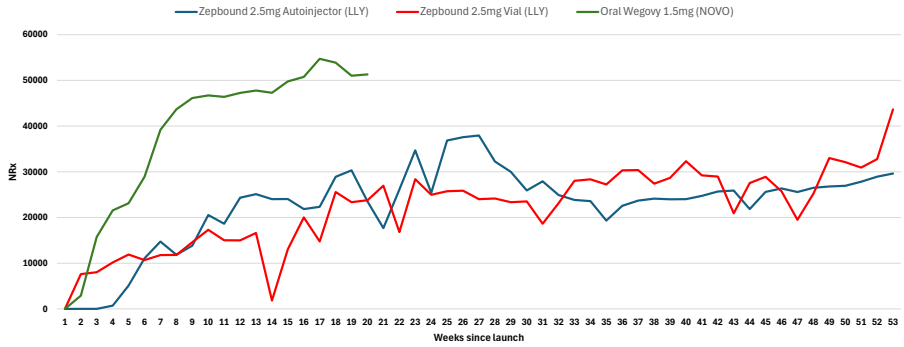


Exhibit 35: Mounjaro, Zepbound and Wegovy oral TRx launch trend

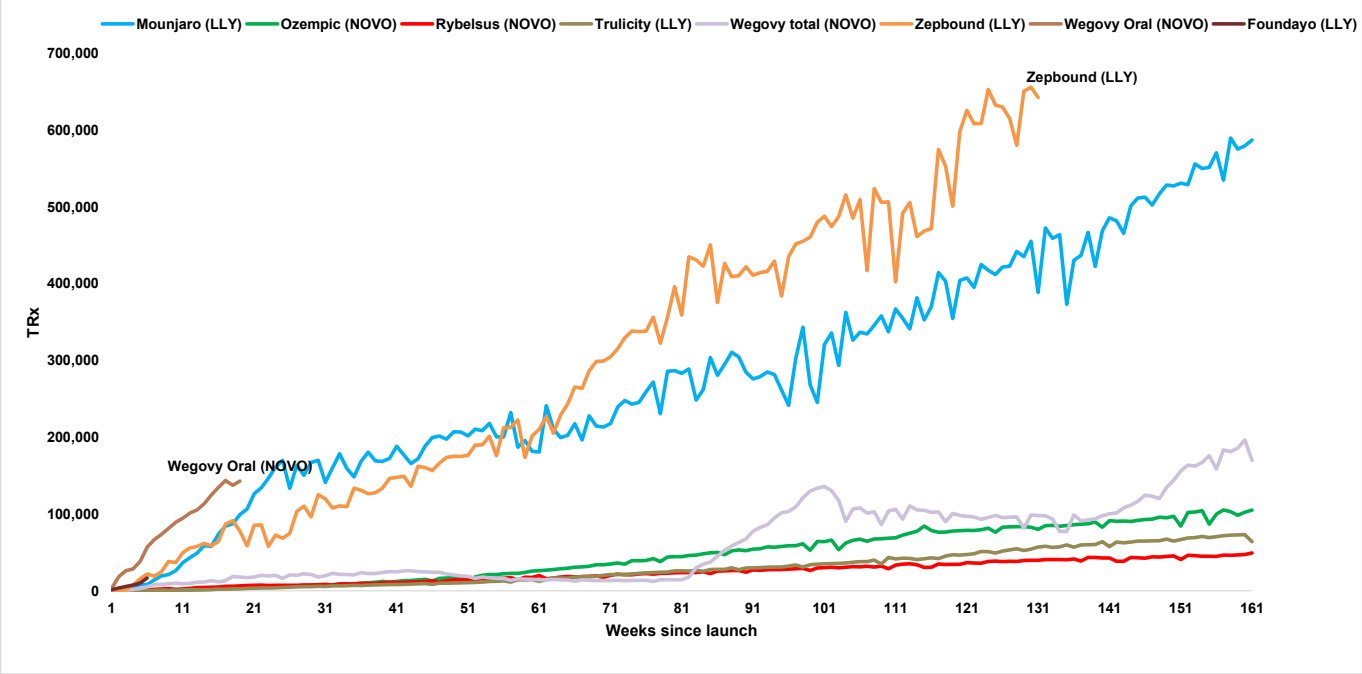
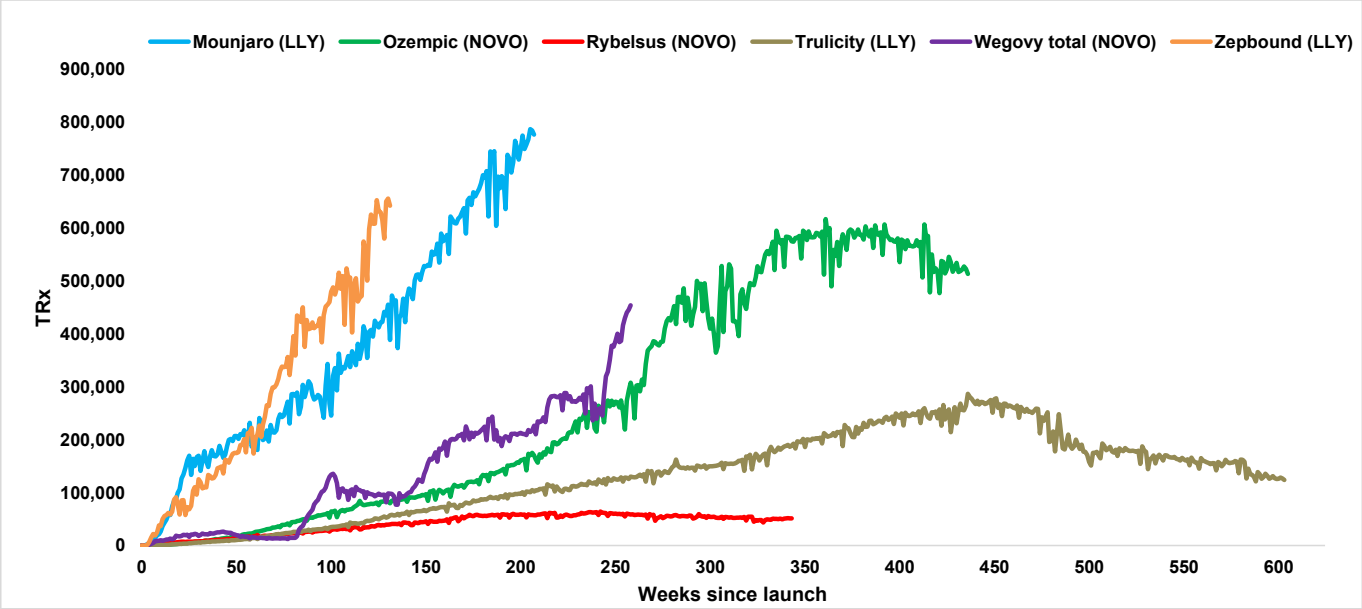


Exhibit 36: GLP-1 launches



Diabesity Catalyst Calender

Exhibit 37: MS Diabesity Catalyst Calendar

Company	Timing	Drug	Comparator(s)	Event
AMGN	4Q25	MariTide (AMG 133)	Placebo	Data from part 2 of Ph2 study (incl. quarterly dosing)
GPCR	YE25	ACCG-2671	-	Advance DACRA into clinic
NVO	1Q26	CagriSema	Cagri/Sema/Tirzepatide	Ph3 CagriSema vs. Zepbound in obesity H2H data (REDEFINE-4)
LLY	1Q26	Orforglipron (Oral GLP1)	Insulin Glargine	Ph3 CV risk non-inferiority study in patients with T2D + Obesity and increased CV Risk (ACHIEVE-4)
NVO	2H25-1H26	CagriSema	Cagri/Sema/Placebo	Ph3 T2D data (4 studies, REIMAGINE 1 -4)
NVO	2025/26	CagriSema	Cagri/Sema/Placebo	Ph2 data in patients with T2D + CKD
LLY	2025-2026	Orforglipron (Oral GLP1)	-	FDA filing in diabetes/obesity
ZEAL	2025/26	Survodutide (GLP1/GCGR)	Placebo	Ph3 in obesity -T2D (SYNCHRONIZE-1) data
ZEAL	2025/26	Survodutide (GLP1/GCGR)	Placebo	Ph3 in obesity +T2D (SYNCHRONIZE-2) data
VKTX	May 12-15, 2026	Oral VK2735	Placebo	Present full Ph2 data from VENTURE-Oral trial at European Congress on Obesity
ROG	1H26	CT-868	Placebo	Ph2 data in T1D with obesity at medical conference
ZEAL	2026	Survodutide (GLP1/GCGR)	Placebo	Ph3 CV safety study in obese/overweight (SYNCHRONIZE-CVOT) data
ZEAL	2026	Petrelintide (LA amylin)	-	Initiate Ph3 monotherapy studies in obesity/T2D
NVO	2026	CagriSema	Cagri/Sema/Tirzepatide	REIMAGINE 5 Ph3 data - 1mg Cagri vs. 5mg Tirzepatide
ROG	2026	CT-388	Placebo	Disclose Ph2 final data in obese/overweight pts
LLY	2026	High Dose Tirzepatide	Placebo	Ph2 data exploring higher doses of tirzepatide in patients with T2D + obesity
LLY	2026	Orforglipron	Placebo	Ph3 ATTAIN-MAINTAIN trial of orfor as maintenance therapy in obese patients
LLY	2026	Orforglipron	Placebo	Ph3 study in obesity+OSA (ATTAIN-OSA)
LLY	2026	Tirzepatide	Placebo	Ph3 SURMOUNT-MAINTAIN data - evaluating maintenance of weight loss at 5mg dose vs. maximum tolerated dose
LLY	**2026**	**Retatrutide (GGG)**	**Placebo**	**Ph3 Obesity, obesity + osteoarthritis, and obesity + obstructive Sleep apnea (TRIUMPH-1) data**
LLY	2026	Retatrutide (GGG)	Placebo	Ph2 on renal function in pts with obesity + chronic kidney disease w/ or w/out T2D
LLY	2026	Tirzepatide	Placebo	Ph2 in patients with obesity and CKD with or without T2D (TREASURE-CKD)
LLY	2026	Tirzepatide	Placebo	Ph3 study for maintenance of body weight reduction (SURMOUNT-MAINTAIN)
LLY	2026	Retatrutide (GGG)	Placebo	Ph3 obesity + diabetes (TRIUMPH-2) data
LLY	2026	Retatrutide (GGG)	Placebo	Ph3 obesity + cardiovascular disease (TRIUMPH-3) data
LLY	2026	Retatrutide (GGG)	-	FDA filing in obesity
NVO	2026	Sema 2.4mg	Placebo	Ph2 data evaluting effect on post-smoking cessation weight management
NVO	2027	CagriSema	Cagri/Sema/Placebo	Ph3 CV non-inferiority/superiority study in obese patients non-T2D and T2D patients (REDEFINE 3)
LLY	**2027**	**Tirzepatide**	**Placebo**	**Ph3 reduction in risk of morbidity/mortality in obesity (SURMOUNT-MMO) data**
NVO	2027	Sema 1mg inj	Placebo	FOCUS Ph3 data in diabetic retinopathy
LLY	2029	Retatrutide (GGG)	Placebo	TRIUMPH-OUTCOMES (CV outcomes study) readout
NVO	2032	Sema 2.4mg	-	SELECT-LIFE study completion - periodic data disclosures expected throughout 2020s

IQVIA Disclosures

Channels	NPA (National Prescription Audit) Monthly and Weekly	NSP (National Sales Perspectives)
Chain Pharmacies	*	*
Independent Pharmacies	*	*
Mass Merchandisers(grouped w/Chain Pharmacies)	*	*
Foodstores w/Pharmacies	*	*
Mail Service Providers	*	*
Long-Term Care	*	*
HMOs		*
Non-federal Hospitals		*
Federal Facilities		*
Clinics		*
Home Healthcare		*
Miscellaneous – Prisons, Universities, Veterinarians		*

Monthly TRx (NPA) and Sales (NSP) channel sources

Source: IQVIA

Definitions

TRx represents total prescriptions dispensed including refills.

NRx represents new prescriptions including renewals and excluding refills, so it does not represent new patient starts. Renewals are the scripts patients get to continue the drug when they run out of refills.

NPA: "National estimates of prescriptions, or the rate at which drugs move out of the pharmacy and into the hands of a consumer via formal dispensed prescriptions".

to their definitive agreement to acquire Centessa Pharmaceuticals, plc ("Centessa"), as announced on March 31, 2026. The transaction is subject to approval by Centessa stockholders, sanction by the High Court of Justice of England and Wales and satisfaction of other customary closing conditions, including regulatory approvals. This report and the information provided herein is not intended to (i) provide voting advice, (ii) serve as an endorsement of the proposed transaction, or (iii) result in the procurement, withholding or revocation of a proxy or any other action by a security holder. Lilly has agreed to pay fees

upon the consummation of the transaction. Please refer to the notes at the end of the report.

Valuation Methodology and Risks

Eli Lilly & Co. (LLY.N)

Our 12-month price target of $1,344 is based on a 27x P/E multiple applied to our 2Q27-1Q28 EPS estimate of $49.76. This multiple is in-line with LLY's 10-year average (28x) and the industry (~15x) but deserved in our view, given the company's growth profile and pipeline optionality.

Risks to Upside

- Foundayo/orfor launch outperforms expectations commercially
- Elora/Reta outperform expectations in clinical trials/commercially
- LLY gains share of the gvmt obesity channel quicker than our expectations

Risks to Downside

- Foundayo/orfor approval is delayed or its launch underperforms commercially
- Eloralintide and Retatrutide discontinued prior to reaching the market
- Competitor data from diabesity pipeline drugs