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Eli Lilly & Co. | North America

Initial data for Elora+Tirz combo looks competitive

Abstracts for the upcoming EASD diabetes conference (Sept 28 - Oct 2) were recently posted online, including for a LLY Ph1b dose-ranging trial evaluating a combination of Tirzepatide (Zepbound/Mounjaro - GLP+GIP agonist) and Eloralintide (Elora; selective amylin agonist) in obesity - see HERE. We believe the Elora efficacy data look competitive (see Exhibits 1-2), but the abstract lacks significant details on the tolerability profile to be able to draw comparisons. At the recent ADA conference LLY indicated (see HERE) that there are already five Elora Ph3 trials in progress and additional trials are planned, and they anticipate that this will become one of the largest clinical development programs in the company's history.

As we discussed in our GLP-1 Unlock note, we see a large second-line opportunity in obesity being driven primarily by differentiation in efficacy and/or safety/tolerability, as these are two key considerations for patients considering a switch or re-initiating therapy. Therapies capable of delivering incremental weight loss beyond current offerings could appeal to patients who have plateaued or achieved less-than-expected outcomes on initial treatment, while agents with improved tolerability or safety profiles may better serve those who discontinue due to adverse events (with GI being most common). As the treated obesity population matures, we also expect some patients and providers to explore rotation across mechanisms to maintain response or optimize long-term management, similar to the immunology market with multiple mechanisms and a heterogeneous patient pool. Together, these dynamics could support a meaningful second-line market over time, particularly for next-gen therapies (e.g., Elora or Reta/GGG) that improve either the depth of weight loss or the overall treatment experience. **We model Elora 2035 risk-adjusted sales of $5.7bn (at a 60% POS).** Separately we note that LLY also recently presented Ph3 data for Reta (GGG agonist) in obesity/T2D (LINK), which the company noted could represent a "workhorse" for patients with lower BMI (LINK), as the low dose Reta data compare favorably to Tirz with respect to weight loss, tolerability and time of dose escalation; see Exhibit 2 below.

The Elora Ph1b studies enrolled adults with obesity or overweight, without T2D, with stable body weight, and BMI of 27–45 kg/m^2 (Study A) or 27–40 kg/m^2 (Study B). Participants received Elora and/or Tirz in various doses and combinations, vs. placebo. **Treatment duration varied by cohort depending on the dose regimen, ranging from 16 to 32 weeks.**

In Studies A and B, 65% (62/96) and 25% (16/64) of participants were female, respectively; mean ages were 45 and 42 yrs, weights 94 and 87 kg, and BMIs 32.8 and 30.5 kg/m^2 at baseline. **The Elora+Tirz arms had higher rates of all treatment-emergent adverse events (TEAEs) than Tirz+placebo or Elora+placebo.** The most common TEAEs were gastrointestinal events; most were mild to moderate in severity. In Studies A and B, **the highest-dose combination arm (Elora 9 mg**

Terence C Flynn, Ph.D.
Equity Analyst
Terence.Flynn@morganstanley.com +1 212 761-2230

Hailey Horowitz
Research Associate
Hailey.Horowitz@morganstanley.com +1 212 761-5264

Alexander Yevdokimov, Ph.D.
Research Associate
Alexander.Yevdokimov@morganstanley.com +1 212 761-2167

Chris Yu, J.D., Ph.D.
Equity Analyst
Chris.L.Yu@morganstanley.com +1 212 761-2535

Damien H Kerner
Research Associate
Damien.H.Kerner@morganstanley.com +1 212 761-3829

Connor M Massari
Equity Analyst
Connor.Massari@morganstanley.com +1 212 761-2417

Saket Agarwal
Research Associate
Saket.Agarwal@morganstanley.com +91 22 6995-4012

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 (Jul 2, 2026)	$1,213.91
Mkt cap, curr (mm)	$1,087,564
52-Week Range	$1,238.00-624.00

[initiated at 3 mg] plus Tirz 15 mg [initiated at 2.5 mg] dose-escalated every 4 weeks) resulted in maximum mean body weight reductions of 29.0% (Week 32) and 25.5% (Week 24); see Exhibit 1 and Exhibit 2 below for a cross-trial comparison. Elora+Tirz resulted in additive weight reduction compared to Tirz +placebo in all dose levels.

The investigators noted that low dose combinations may produce weight reduction comparable to high dose Tirz monotherapy, with fewer dose escalation steps, and both of these profiles may be of value in the approach to weight management. **The ongoing Elora+Tirz Ph2 trial will better inform optimal dose combinations and dose-escalation schemes, where we anticipate data later this year (CT.gov PCD of June '26; LINK). We will be most focused on the tolerability profile relative to Tirz and Reta.**

Exhibit 1: Elora+/-TZP Ph1b weight loss across arms

Table. Mean percent change in body weight from baseline to the end of the treatment period per treatment group for Study A and Study B

Study	Dosing regimen	Treatment Week (wk)	N	n	Baseline Weight (kg)	% CFB in Weight	Estimated treatment difference (90% confidence interval)	
A	PBO + TZP 5 mg (2.5 mg)	16	12	10	94.8	-10.0	-	-
A	Elora 3 mg + TZP 5 mg (2.5 mg)	16	12	10	86.9	-17.0	vs. PBO+TZP	-7.0 (-8.9, -5.0)
A	Elora 6 mg + TZP 5 mg (2.5 mg)	16	12	8	97.9	-18.2	vs. PBO+TZP	-8.2 (-10.2, -6.2)
A	Elora 9 mg + TZP 5 mg (2.5 mg)	16	12	6	89.9	-20.5	vs. PBO+TZP	-10.5 (-12.6, -8.4)
A	PBO + TZP 15 mg (2.5 mg)	32	8	5	92.2	-17.8	-	-
A	Elora 9 mg (1.5 mg) + TZP 15 mg (2.5 mg)	32	12	7	93.2	-23.6	vs. PBO+TZP	-5.8 (-8.9, -2.7)
A	Elora 9 mg (3 mg) + TZP 15 mg (2.5 mg)	32	12	3	102.3	-29.0	vs. PBO+TZP	-11.2 (-14.7, -7.7)
B	PBO + PBO	24	16	16	88.4	-0.5	-	-
B	PBO + TZP 15 mg (2.5 mg)	24	16	14	84.0	-16.4	vs. PBO+PBO	-16.0 (-18.3, -13.7)
B	Elora 9 mg (3 mg) + PBO	24	16	16	87.7	-14.2	vs. PBO+PBO	-13.7 (-16.0, -11.5)
B	Elora 9 mg (3 mg) + TZP 15 mg (2.5 mg)	24	16	12	86.6	-25.5	vs. PBO+PBO	-25.0 (-27.3, -22.7)

* Data not shown for the groups PBO+TZP 5mg and elora 6 mg+TZP 5 mg in the Study A

Abbreviations: Elora = long-acting amylin receptor agonist (eloralintide); TZP = tirzepatide; LSM = least squares mean; n = number of participants with valid observations; N = number of participants. Parentheses () in the dosing regimen denote the starting dose.

Source: Bhattachar et al, EASD 2026

Cross-trial comparison

Exhibit 2: Cross-trial comparison of select assets in obesity

	Obesity															
Trial	**STEP-1 (Ph3)**		**SURMOUNT-1 (Ph3)**				**SURMOUNT-5 (Ph3)**		**Ph2**				**TRIUMPH-1 (Ph3)**			
Company	**Novo Nordisk**		**Eli Lilly**				**Eli Lilly**		**Eli Lilly**				**Eli Lilly**			
Drug	**Semaglutide** (QW inj.)	**Placebo**	**Tirzepatide** (QW inj.)			**Placebo**	**Tirzepatide** (QW inj.)	**Semaglutide** (QW inj.)	**Retatrutide** (QW inj.)			**Placebo**	**Retatrutide** (QW inj.)			**Placebo**
Class (mechanism)	GLP-1	-	GLP-1/GIP			-	GLP-1/GIP	GLP-1	GLP-1/GIP/Glucagon			-	GLP-1/GIP/Glucagon			-
Dose	2.4mg	-	5mg	10mg	15mg	-	10mg/15mg	1.7mg/2.4mg	8mg (ID 2mg)	8mg (ID 4mg)	12mg	-	4mg	9mg	12mg	-
n	1306	655	630	636	630	643	374	376	35	35	62	70	2,339			
Background	Lifestyle Intervention		Lifestyle Intervention													
Trial Duration	68 weeks		72 weeks				72 weeks		48 weeks				80 weeks			
Titration Period	16 weeks	-	4 weeks	12 weeks	20 weeks	-	3/5 weeks	3/5 weeks	8 weeks	4 weeks	12 weeks	-	4 weeks	12 weeks	16 weeks	-
Target Dose Tx Period	52 weeks	-	68 weeks	60 weeks	52 weeks	-	67/69 weeks	67/69 weeks	40 weeks	44 weeks	36 weeks	-	76 weeks	68 weeks	64 weeks	-
Baseline weight, kg	105.4	105.2	102.9	105.8	105.6	104.8	112.7	113.4	106.5	108.6	108.0	109.2	112.7			
Baseline BMI	37.8	38.0	37.4	38.2	38.1	38.2	39.4	39.4	37.4	37.0	37.4	37.3	40			
% Female	73.1%	76.0%	67.6%	67.1%	67.5%	67.8%	64.7%	64.6%	48.6%	48.6%	48.4%	48.6%				
Efficacy (Treatment policy)									*							
Weight loss, absolute kg	15.3	2.6	15.4	20.6	22.1	3.2	22.8	15.5	23.5	25.9	26.2	1.8	19.8	26.7	28.2	4.4
Weight loss, absolute %	15%	2%	15%	20%	21%	3%	20%	14%	22%	24%	24%	2%	18%	24%	25%	4%
% Weight loss, PBO-adjusted	12%	-	12%	16%	18%	-	-	-	20%	22%	22%	-	14%	20%	21%	-
Pts achieving ≥5% weight loss, abs %	86%	32%	85%	89%	91%	35%	82%	61%	100%	100%	100%	27%				
Pts achieving ≥5% weight loss, PBO-adj %	55%	-	51%	54%	56%	-	21%	-	73%	73%	73%	-				
Pts achieving ≥10% weight loss, abs %	69%	12%	69%	78%	84%	19%	65%	40%	90%	91%	93%	9%				
Pts achieving ≥10% weight loss, PBO-adj %	57%	-	50%	59%	65%	-	25%	-	81%	82%	84%	-				
Pts achieving ≥15% weight loss, abs %	51%	5%	48%	67%	71%	9%	48%	27%	73%	77%	83%	2%				
Pts achieving ≥15% weight loss, PBO-adj %	46%	-	39%	58%	62%	-	21%	-	71%	75%	81%	-				
Pts achieving ≥20% weight loss, abs %	32%	2%	30%	50%	57%	3%	32%	16%	50%	70%	63%	1%				
Pts achieving ≥20% weight loss, PBO-adj %	30%	-	27%	47%	54%	-	16%	-	49%	69%	62%	-				
Efficacy (Efficacy estimand)																
Weight loss, absolute kg	17.8	2.5	16.5	22.6	23.8	2.5	24.3	17.5	23.5	25.9	26.2	1.8	21.4	29.2	31.9	2.5
Weight loss, absolute %	17%	2%	16%	21%	23%	2%	22%	15%	22%	24%	24%	2%	19%	26%	28%	2%
% Weight loss, PBO-adjusted	15%	-	14%	19%	20%	-	-	-	20%	22%	22%	-	17%	24%	26%	-
Adverse events																
GI																
Nausea	44%	17%	25%	33%	31%	10%	44%	44%	17%	60%	45%	11%	29%	38%	42%	15%
Vomiting	25%	7%	8%	11%	12%	2%	15%	21%	6%	26%	19%	1%	11%	23%	25%	5%
Diarrhea	32%	16%	19%	21%	23%	7%	24%	23%	20%	20%	15%	11%	25%	34%	32%	14%
AE-related discont. rate	7%	3%	4%	7%	6%	3%	6%	8%	14%	6%	16%	0%	4%	7%	11%	5%

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