## First Read

# Eli Lilly and Co

## New amylin+tirzep data looks solid at nearly 30% weight loss - more (+) momentum in the GLP1 portfolio….

**Equities**

United States
Pharmaceuticals

| | |
|---|---|
| **12-month rating** | **Buy** |
| **12m price target** | **US$1,425.00** |
| **Price (14 Jul 2026)** | **US$1,152.54** |

**RIC:** LLY.N **BBG:** LLY US

**Trading data and key metrics**

| | |
|---|---|
| **52-wk range** | US$1,235.56-625.65 |
| **Market cap.** | US$1,085b |
| **Shares o/s** | 942m (COM) |
| **Free float** | 89% |
| **Avg. daily volume ('000)** | 882 |
| **Avg. daily value (m)** | US$938.6 |
| **Common s/h equity (12/26E)** | US$52.2b |
| **P/BV (12/26E)** | 19.6x |
| **Net debt to EBITDA (12/26E)** | 0.2x |

**EPS (UBS, diluted) (USD)**

| | 12/26E | |
|---|---|---|
| | **UBS** | **Cons.** |
| **Q1** | 8.55 | 8.55 |
| **Q2E** | 6.17 | 7.37 |
| **Q3E** | 9.94 | 9.48 |
| **Q4E** | 9.47 | 9.92 |
| **12/26E** | 34.13 | 35.55 |
| **12/27E** | 44.88 | 45.20 |
| **12/28E** | 52.21 | 52.06 |

**Big Picture:** Coming out of our marketing meetings, feedback has been mixed on the stock going into the Q2 print and stock has taken a pause and pulled back 5% in the last week but a natural pullback in our opinion given such a large 40% move up in the last few months. That said, we think they will continue to execute and we are calling for ~ $500M beat on the US GLP1 base business (Mounjaro and zepbound) given 10-18% sequential growth in scripts and even adjusting for the one time price benefit, we still get to the $500M beat (see our Q2 preview here).

Focus is on next catalysts and what can move the stock to the upside from here, and we think amylin/tirzep data will be an incremental positive for the stock, and already expected to be positive given monotherapy eloralintide shows 20% weight loss and new data at EASD last week shows combo with tirzepatide provides nearly 25.5% weight loss at week 24, and 29% weight loss at week 32 in a small Phase 1B study among 12-16 pts. So, we think this is a good read-through to the upcoming Phase II data which we think will be presented at obesity week this year (Nov 14-17) and the title will be released in October.

**What does this mean for LLY?** If Phase II shows 25-30% weight loss, this would make eloralintide the 2nd product after retatrutide to show 25-30% weight loss and would potentially offer a better tolerability profile vs reta and tirzep. This coincides with our thesis that LLY's incretin portfolio taken together offers many options for patients and can take majority share as the market expands in 2030+ even in the face of generic sema in 2031-2032 as we believe a large subset of patients will want to pay more for drugs with better efficacy and potentially better tolerability. LLY is developing eloralintide in a Phase III program now and they are driving a big investment into amylin given the potential for a favorable tolerability profile.

**Data details from EASD abstract:** The Phase Ib MAD study consisted of multiple arms between 8-16 pts evaluating elora 3, 6 or 9mg and tirzep 5 or 15mg. Low dose 3mg elora and 5mg tirzep shows 17-18% weight loss over 16 weeks. While high dose elora 9mg and 15mg tirzep shows 25-29% weight loss over 24-32 weeks. Clearly amylin elora was additive and low dose combinations may produce weight reduction comparable to high dose tirzep monotherapy, but with fewer dose escalation steps and potentially better tolerability profile. **** contact us for the abstract ****

**Michael Yee**
Analyst
michael.yee@ubs.com
+1-305-536 9101

**Dina Elmonshed**
Analyst
dina.elmonshed@ubs.com
+1-212-649 8276

**Kyle Yang, CFA**
Associate Analyst
kyle.yang@ubs.com
+1-212-713 1458

| Highlights (US$m) | 12/23 | 12/24 | 12/25 | 12/26E | 12/27E | 12/28E | 12/29E | 12/30E |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | 34,124 | 45,043 | 65,179 | 86,000 | 98,658 | 109,495 | 118,471 | 125,234 |
| **EBIT (UBS)** | 7,031 | 14,313 | 27,273 | 38,907 | 48,601 | 55,166 | 60,255 | 63,274 |
| **Net earnings (UBS)** | 5,712 | 11,747 | 21,767 | 30,548 | 39,965 | 46,256 | 51,344 | 54,673 |
| **EPS (UBS, diluted) (US$)** | 6.32 | 12.99 | 24.20 | 34.13 | 44.88 | 52.21 | 58.26 | 62.31 |
| **DPS (net) (US$)** | 4.51 | 5.18 | 5.98 | 6.28 | 6.59 | 6.92 | 7.27 | 7.63 |
| **Net (debt) / cash** | (22,407) | (30,376) | (35,235) | (7,206) | 16,537 | 49,197 | 87,653 | 130,271 |

| Profitability/valuation | 12/23 | 12/24 | 12/25 | 12/26E | 12/27E | 12/28E | 12/29E | 12/30E |
|---|---|---|---|---|---|---|---|---|
| **EBIT (UBS) margin %** | 20.6 | 31.8 | 41.8 | 45.2 | 49.3 | 50.4 | 50.9 | 50.5 |
| **ROIC (EBIT) %** | 23.9 | 36.4 | 50.7 | 62.3 | 73.4 | 76.5 | 80.4 | 82.6 |
| **EV/EBITDA (UBS core) x** | 57.6 | 51.6 | 28.1 | 26.4 | 20.6 | 17.5 | 15.4 | 14.0 |
| **P/E (UBS, diluted) x** | 73.5 | 62.4 | 34.2 | 33.8 | 25.7 | 22.1 | 19.8 | 18.5 |
| **Equity FCF (UBS) yield %** | 0.2 | 0.5 | 1.9 | 3.6 | 3.2 | 4.1 | 4.7 | 5.0 |
| **Dividend yield (net) %** | 1.0 | 0.6 | 0.7 | 0.5 | 0.6 | 0.6 | 0.6 | 0.7 |

Source: Company accounts, LSEG Eikon, UBS estimates. Metrics marked as (UBS) have had analyst adjustments applied. Valuations: based on an average share price that year, (E): based on a share price of US$ 1,152.54 on 14-Jul-2026

This report has been prepared by UBS Securities LLC. **ANALYST CERTIFICATION AND REQUIRED DISCLOSURES, INCLUDING INFORMATION ON THE QUANTITATIVE RESEARCH REVIEW PUBLISHED BY UBS, BEGIN ON PAGE 5.**

**Figure 1: Phase Ib weight loss data for eloralintide /tirzepatide como in EASD abstract**

**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: Company Reports, UBS Research.

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**Forecast returns**

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|---|---|
| Forecast price appreciation | 23.6% |
| Forecast dividend yield | 0.6% |
| Forecast stock return | 24.2% |
| Market return assumption | 9.2% |
| Forecast excess return | 15.0% |

**Company Description**

Eli Lilly and Co. discovers, develops, manufactures, and sells pharmaceutical products for humans and animals. Eli Lilly is a key leader in the budding GLP-1 market, with Mounjaro, Zepbound, and Trulicity currently on the market. Eli Lilly is headquartered in Indianapolis, IN.

**Valuation Method and Risk Statement**

Our Price Target is based on a one-year forward P/E valuation, supported by DCF. Risks to our LLY valuation include: (1) Slowdown in Mounjaro due to slowdown in GLP-1 market and/or competitive pressure, (2) Pipeline failure (next generation GLP-1's), (3) More than expected pricing pressure on the diabetes and inflammation portfolio due to payor pressure, (4) Margin compression due to slowdown of high margin products and/or pipeline failures. Industry-specific risks include: (1) Uncertainty around potential reforms around changes in rebate structure, (2) Drug pricing regulations in key markets that increase pricing pressure, (3) Increased consolidation among managed care organizations, PBMs increasing their negotiating power.

**Quantitative Research Review**

UBS Global Research publishes a quantitative assessment of its analysts' responses to certain questions about the likelihood of an occurrence of a number of short term factors in a product known as the 'Quantitative Research Review'. The views for this month can be found below. Views contained in this assessment on a particular stock reflect only the views on those short term factors which are a different timeframe to the 12-month timeframe reflected in any equity rating set out in this note. For previous responses please make reference to (i) previous UBS Global Research reports; and (ii) where no applicable research report was published that month, the Quantitative Research Review which can be found at https://neo.ubs.com/quantitative, or contact your UBS sales representative for access to the report or the Quantitative Research Team on ubs-quant-answers@ubs.com. A consolidated report which contains all responses is also available and again you should contact your UBS sales representative for details and pricing or the Quantitative Research Team on the email above.

**Eli Lilly and Co**

| Question | Response |
|---|---|
| 1. Is the industry structure facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting worse, 3 = no change, 5 = getting better, N/A = no view) | N/A |
| 2. Is the regulatory/government environment facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting tougher 3 = no change, 5 = getting better, N/A = no view) | N/A |
| 3. Over the last 3-6 months in broad terms have things been improving/no change/getting worse for this stock? Rate on a scale of 1-5 (1 = getting a lot worse, 3 = not much change, 5 = getting a lot better, N/A = no view) | N/A |
| 4. Relative to the current CONSENSUS EPS forecast, is the next company EPS update likely to lead to: (1 = negative surprise vs consensus, 3 = in-line with consensus, 5 = positive surprise vs consensus expectations, N/A = no view) | N/A |
| 5. What's driving the difference? | |
| 6. Relative to YOUR current earnings forecast, is there relatively greater risk at the next earnings result of:(1 = downside skew risk to earnings, 3 = equal upside or downside risk to earnings, 5 = upside skew risk to earnings, N/A = no view) | N/A |
| 7. What's driving the difference? | |
| 8. Is there an upcoming catalyst for the company over the next three months? | No Catalyst |
| 9. Is there an actual or approximate date for the catalyst? | |
| 10. Is the catalyst date an actual or approximate date? | |
| 11. What is the catalyst? | |