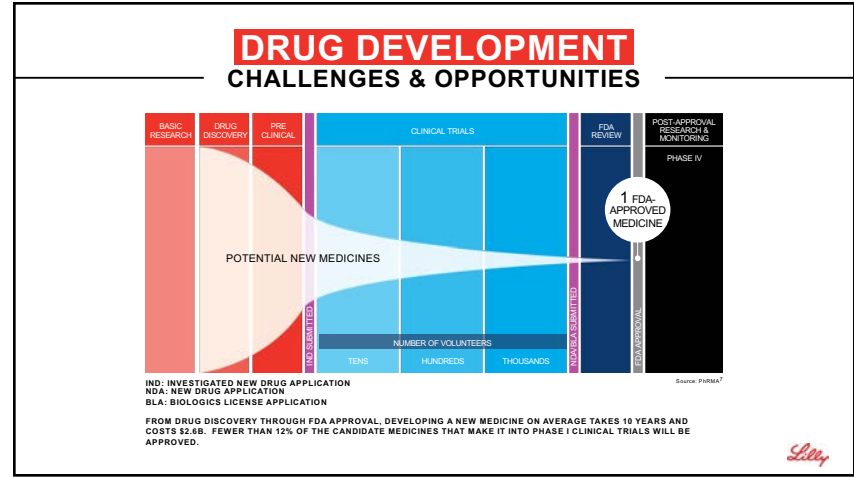


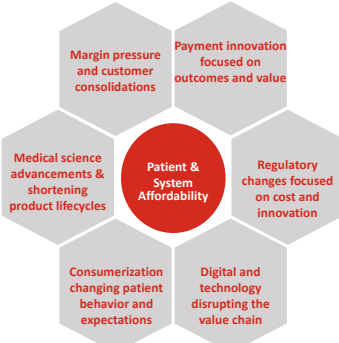
Right Here, Right Now:  
 - *There has never been a better time to be at Lilly!*

Michael Overdorf  
 Vice President  
 May 2019

### THE NEW NORMAL


EXTERNAL CHALLENGES AND OPPORTUNITIES



These trends are putting pressure on our industry's business model, but are also driving opportunities for transformation.

While these trends are playing out globally, they are most impactful in the US.

- Margin pressure and customer consolidations
- Payment innovation focused on outcomes and value
- Medical science advancements & shortening product lifecycles
- Regulatory changes focused on cost and innovation
- Consumerization changing patient behavior and expectations
- Digital and technology disrupting the value chain

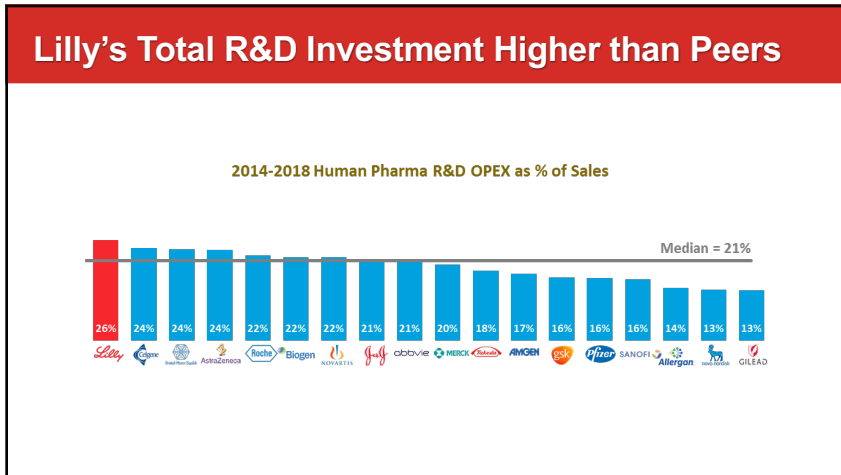
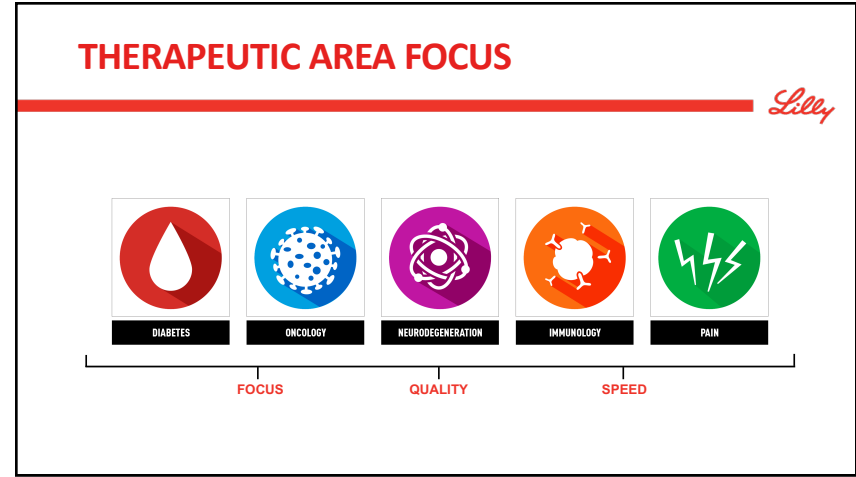
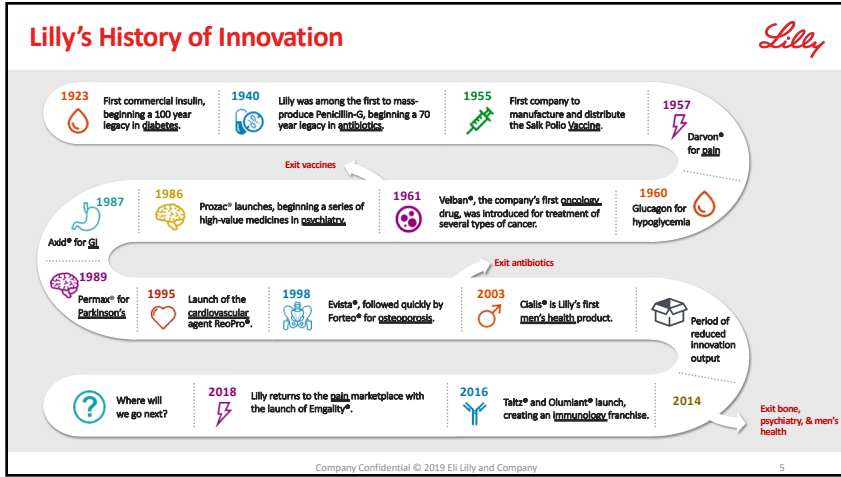



### ELI LILLY AND COMPANY IS A GLOBALLY FOCUSED PHARMACEUTICAL COMPANY

- ≈10,500 EMPLOYEES in Indianapolis
- ≈33,600 EMPLOYEES across the world
- 6 COUNTRIES with research and development facilities

- CLINICAL RESEARCH CONDUCTED IN MORE THAN **55 COUNTRIES**
- MEDICINES + TREATMENTS MARKETED IN **120 COUNTRIES**
- MANUFACTURING PLANTS LOCATED IN **13 COUNTRIES**





### 2020 Strategic Deliverables

#### Grow Revenue 7%

- Minimum average annual revenue growth of 7% in constant currency from 2015 through 2020

#### Improve Productivity 31%

- Excluding FX on int'l inventories sold, minimum operating margin % of revenue of 31% in 2020

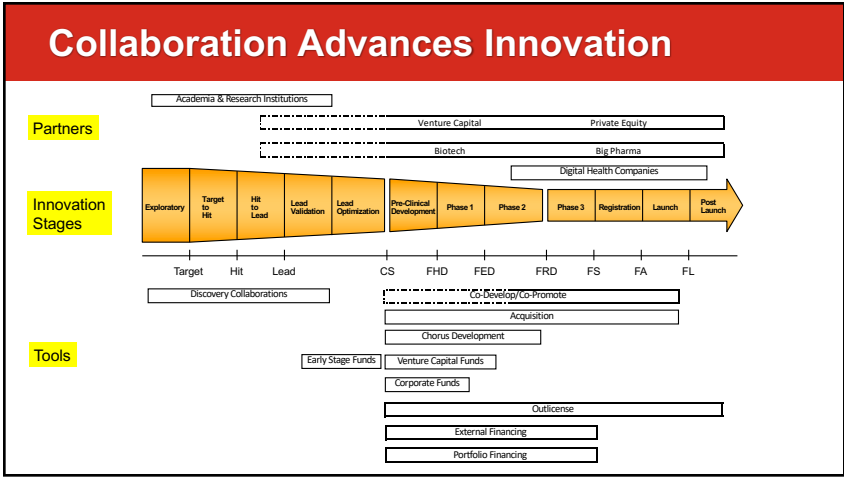
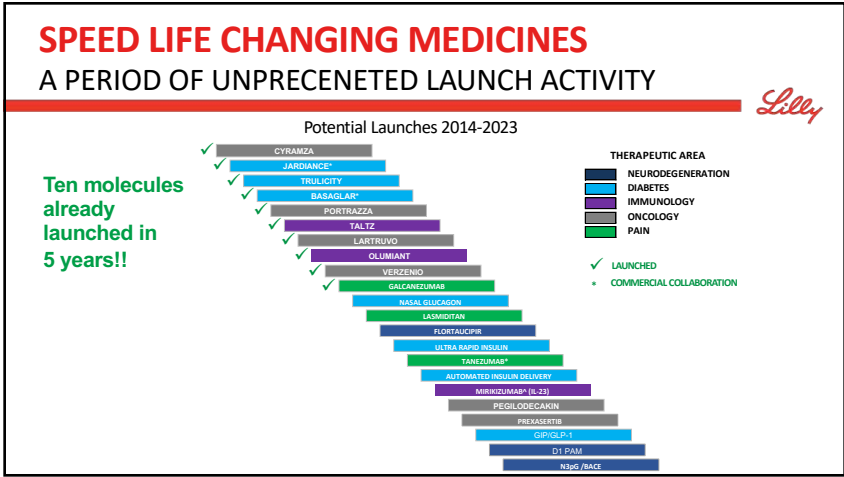
#### Create Long-Term Value

- Fund existing marketed and pipeline products
- Bolster growth prospects via business development in focus areas
- Annual dividend increases

#### Speed Life-Changing Medicines

- Potential to launch 20+ new molecules in 10 years (2014-2023)
- On average, could launch 2+ new indications or line extensions per year

**20 & 20 in 10**



### Lilly's Recent External Innovation Partnerships

**Target ID / Validation**

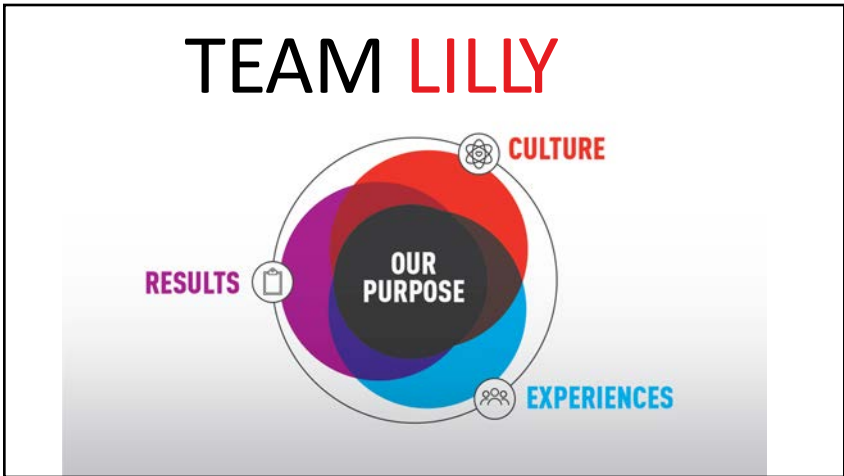
- ervaxx
- NextCure
- GLADSTONE INSTITUTES
- UMS MEDICAL RESEARCH INSTITUTE
- SBP
- UC San Diego
- DANA-FARBER CANCER INSTITUTE
- PURDUE UNIVERSITY

**Modalities**

- Dicerna pharmaceuticals
- UREVAC
- sigilon therapeutics
- AVIDITY

**Medicines**

- ARMO BIOSCIENCES
- NEKTAR
- AurKaPharmaInc.
- DEKA
- AC Immune
- HYDRA BIOSCIENCES
- ADURO BIOTECH
- LOXO OBERLY
- ImmuNext

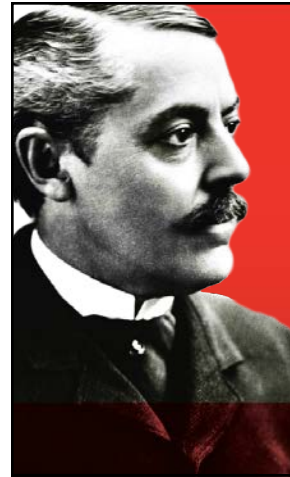


# OUR PURPOSE

Lilly unites caring with discovery to create medicines that make life better for people around the world.



PURPOSE | CULTURE | EXPERIENCES | RESULTS



# CULTURE

## VALUES

Integrity  
Excellence  
Respect for People

# CULTURE

## EXPECTATIONS

Include  
Innovate  
Accelerate  
Deliver



“TAKE WHAT YOU FIND  
HERE AND MAKE IT  
BETTER AND BETTER.”

FOUNDER  
COLONEL ELI LILLY, 1882

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