



APERTURE

INSIGHTFUL AND RELEVANT RESEARCH UPDATES

Eli Lilly Q4 2025 Results

Share Price	US\$1 107.12
Date	05 February 2026

RESULTS SUMMARY

Eli Lilly, a global leader in diabetes, obesity, oncology and immunology treatments, reported strong 4Q 2025 results, surpassing analyst expectations on both revenue and earnings.

Revenue rose 43% to US\$19.3bn, above the US\$17.9bn consensus, driven by volume growth from Mounjaro and Zepbound (GLP1 drugs). Gross profit grew +43%, with margins improving slightly to 82.5%, supported by a favourable product mix and lower production costs, partially offset by lower prices. Earnings came in at US\$7.54 per share, up 42%, vs consensus the US\$6.91 consensus.

Looking ahead, Eli Lilly's 2026 guidance also exceeded expectations, with revenue projected at US\$80bn - US\$83bn (+25% at midpoint) vs the US\$77.6bn consensus, and EPS expected between US\$33.50 and US\$35.00 vs the US\$33.08 consensus.

OUR LONG-TERM INVESTMENT VIEW

- Eli Lilly is a leading global pharmaceutical company focused on innovative medicines across diabetes, obesity, oncology, and immunology, with a diversified portfolio of therapies that limits dependence on any single product or therapeutic area, reducing risk from individual drugs or markets
- The company is particularly strong in diabetes and obesity, including GLP-1 therapies, benefiting from rising rates of chronic metabolic diseases and ageing populations worldwide.
- Pharmaceutical demand is generally defensive, with prescription medicines less sensitive to economic cycles, making Eli Lilly's revenues relatively resilient during economic slowdowns.
- The company is highly committed to innovation, investing into research and development (R&D) to sustain a deep pipeline and long-term growth, leaving Eli Lilly well positioned as a high-quality, long-term healthcare investment.

UNPACKING THE Q4 2025 RESULTS

High level numbers

- Worldwide revenue rose 43% to US\$19.3bn, driven by a 46% increase in volume, partially offset by a 5% decline from realised prices.
- R&D spending increased 26% to US\$3.8bn (20% of revenue), reflecting continued investment in early and late-stage pipeline products.
- Gross profit grew 43%, with margins up slightly to 82.5%, supported by a favourable product mix and improved production costs, partially offset by lower prices.
- Earnings per share came in at US\$7.54 (+42%) vs a consensus at US\$6.91. The beat was mainly due to higher revenue, as gross margin and operating expenses were in line with expectations.
- Eli Lilly's share of the Incretin Analogs Market*

Pipeline progress

The company reported positive Phase 3 results across several important programs. These include Taltz and Zepbound for patients with psoriatic arthritis and obesity, orforglipron for patients transitioning from injectable to oral GLP-1 therapy, and retatrutide for obesity in patients with knee osteoarthritis.

Looking ahead

Eli Lilly expects continued momentum from Mounjaro and Zepbound worldwide, with Q4 2025 performance serving as the baseline for 2026 outside the US. Expanded access to obesity medicines through Medicare is expected by July 1, 2026. Orforglipron, the oral GLP-1, is scheduled to launch in the US Q2 2026 pending FDA approval, with an international rollout in the first half of 2026. Management will update guidance based on product performance.

At the same time, global pricing is expected to decline in the low- to mid-teens, driven by US

increased to 60.5% (+2.6%), with Novo Nordisk at 39.1%.

(* Includes Injectable GLP-1s, oral GLP-1s and GLP-1/GIP dual agonists)

Segment results

- **US** - revenue grew 43%, supported by a 50% increase in volume, offset by a 7% decrease in realised prices.
- **Outside the US** – revenue rose 43%, driven by a 38% increase in volume and favourable currency impacts.
- **Mounjaro** - worldwide revenue surged 110% to US\$7.4bn. US revenue increased 51%, while revenue outside of the US revenue grew to US\$3.3bn from US\$899m in 4Q24, driven by volume.
- **Zepbound** - US revenue rose 122%, reflecting increased demand, partially offset by lower realised prices.

Regulatory progress

Eli Lilly achieved key regulatory milestones in recent months:

- The FDA approved the tirzepatide KwikPen and expanded the indication for Jaypirca.
- Orforglipron has been submitted for obesity in the US and Japan, and for both obesity and type 2 diabetes in the EU.

government access agreements, new Zepbound direct-to-patient pricing, Mounjaro reimbursement in China for type 2 diabetes, and Medicaid MFN pricing on later-stage products. R&D expenses are expected to accelerate due to announced and planned investments across the portfolio

The bottom line

Eli Lilly's 4Q results reinforce the strength of its diabetes and obesity franchise, with Mounjaro and Zepbound continuing to drive outsized growth despite modest near-term pricing and access headwinds. Underlying demand remains robust and operating discipline remains intact, as evidenced by solid earnings beat and margin leverage.

We see Eli Lilly well positioned for further growth in 2026, driven by continued strength in Zepbound and Mounjaro, with the potential launch of Orforglipron providing a further upside to the investment case.

Private Clients
by  Old Mutual Wealth

Private Clients by Old Mutual Wealth (Private Clients) is a division of Old Mutual Wealth Trust Company (Pty) Ltd ("OMWTC"), a licenced Financial Services Provider, Reg No: 1925/002721/07. Private Clients is authorised to provide financial services on the OMWTC licence.

To report unethical behaviour, call the Anonymous Reporting line at 0800 222 117, email logohotline@tip-offs.com or visit www.tip-offs.com

Old Mutual Wealth, Mutualpark, Jan Smuts Drive, Pinelands, 7405 | Tel: +27 (0)21 524 4678 | Email: privateclients@omwealth.co.za