

## Eli Lilly and Company

## Latest 4Q23 and 2023 Consensus as of Today

Maintain Rating: BUY | PO: 750.00 USD | Price: 667.65 USD

## Latest Consensus Estimates

Ahead of Lilly reporting 4Q23 results tomorrow (02/06) before market open, we have assessed the latest consensus estimates (for 4Q23 and 2023) as of today. We maintain Buy and our \$750 PO given Lilly's impressive new product profile.

**Table 1: Latest Estimates 4Q23 and 2023 estimates**

Latest consensus expectations as of today

4Q23 estimates / growth						
(\$ in mil)	Cons	BofA	Growth	Change		
Total Revenue	\$8,958	\$9,269	23%	Cons unchanged in the past week		
Adjusted EPS	\$2.18	\$2.77	4%	Cons unchanged in the past week		
Key products / growth						
(\$ in mil)	4Q23 Cons	4Q23 BofA	Growth	2023e Cons	2023e BofA	2023e Growth
Trulicity	\$1,734	\$1,819	-10%	\$7,198	\$7,282	-3%
Jardiance	749	811	22%	2,696	2,757	30%
Mounjaro	1,771	1,744	534%	4,612	4,701	856%
Zepbound	125	157	N/A	185	157	N/A
Verzenio	1,174	1,208	45%	3,886	3,926	56%
Emgality	194	195	11%	687	687	5%
Taltz	790	784	12%	2,765	2,759	11%
Olumiant	18	21	N/A	34	29	N/A
Cyramza	267	261	-4%	988	983	2%
2023 estimates / growth						
(\$ in mil)	Cons	BofA	Growth	Change		
Total Revenue	\$33,651	\$34,040	19%	Cons unchanged in the past week		
Adjusted EPS	\$6.01	\$6.60	-19%	Cons unchanged in the past week		
Margin Analysis						
	4Q23 Cons	4Q23 BofA	2023e Cons	2023e BofA		
Gross Margin	80.2%	80.9%	80.1%	80.3%		
Operating Margin	27.1%	30.8%	20.4%	20.3%		
Net income Margin	24.1%	27.0%	16.7%	17.5%		

Source: BofA Global Research, Visible Alpha, Bloomberg

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## Top Questions for the Call

We anticipate the top questions going into the call will be on **1)** reimbursement and supply dynamics for Mounjaro and Zepbound for Type 2 diabetes and obesity, respectively; **2)** implications of LillyDirect on Mounjaro + Zepbound launches; **3)** donanemab's commercial strategy in Alzheimer's (approval expected in 1Q); **4)** timing of Verzenio's CYCLONE 2 readout in mCRPC; and **5)** capitol allocation strategy, including plans for future M&A.

## Conference Call Details

Lilly will host a public investor call tomorrow, 02/06, at 10:00 AM ET. Dial in: (877) 209-6992; Passcode: 187676

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Refer to important disclosures on page 3 to 5. Analyst Certification on page 2. Price Objective Basis/Risk on page 2.

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05 February 2024

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## Stock Data

Price	667.65 USD
Price Objective	750.00 USD
Date Established	26-Jan-2024
Investment Opinion	B-1-7
52-Week Range	309.20 USD - 672.62 USD
Mkt Val (mn) / Shares Out (mn)	633,805 USD / 949.3
Free Float	89.4%
Average Daily Value (mn)	1824.34 USD
BofA Ticker / Exchange	LLY / NYS
Bloomberg / Reuters	LLY US / LLY.N
ROE (2023E)	53.5%
Net Dbt to Eqty (Dec-2022A)	130.2%
ESGMeter™	High

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to "BofA ESGMeter Methodology".

## Abbreviations:

mCRPC: metastatic castration-resistant prostate cancer

## Price objective basis & risk

### Eli Lilly and Company (LLY)

Our \$750 price objective is based on a probability-adjusted net present value (NPV) analysis of franchise verticals including Endocrinology (\$531/share), Oncology (\$123/share), Cardiovascular (\$4/share), Neuroscience (\$11/share), Immunology (\$42/share), other pharmaceutical products and early pipeline assets (\$57/share), as well as approximately -\$15/share in net cash. We use a WACC ranging from 5% for approved products to 9% for pipeline products, depending on the stage of development. We apply terminal values ranging from -12% (cardiology) to 1% (endocrinology) based on projected sales decline following loss of exclusivity within each business vertical.

Risks to our price objective are 1) better-than-expected launches of competing products, 2) emerging clinical data for pipeline assets that does not confirm prior observations, 3) failure to effectively commercialize approved products, 4) potential drug pricing system restructuring in the US.

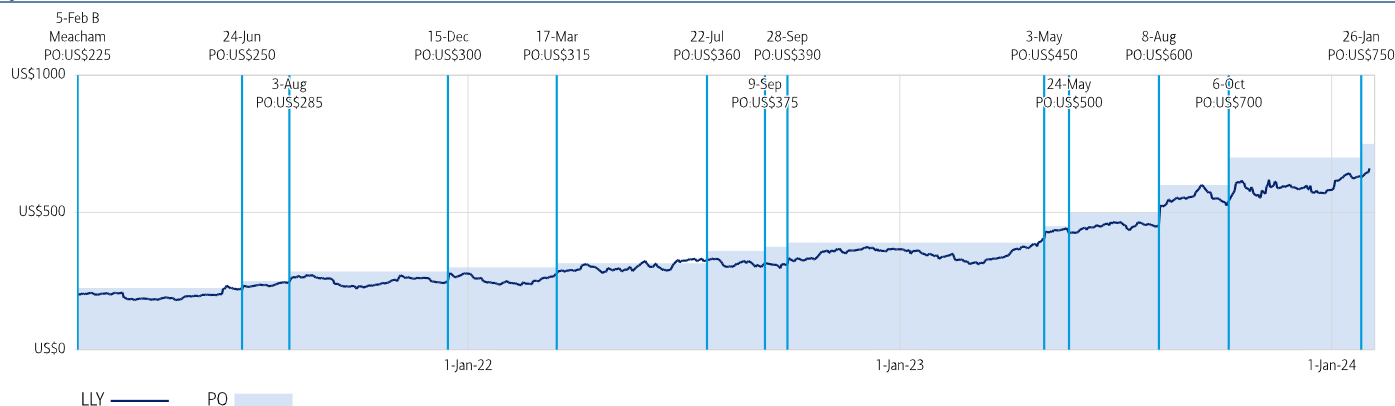
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### Eli Lilly (LLY) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

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### Equity Investment Rating Distribution: Health Care Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	234	60.94%	Buy	115	49.15%
Hold	80	20.83%	Hold	36	45.00%
Sell	70	18.23%	Sell	29	41.43%

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Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

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Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

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