



*Lilly*

# **ELI LILLY AND COMPANY FY 2025**

## **Earnings Report Update**

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Eli Lilly and Company, founded in 1876 and headquartered in Indianapolis, develops, manufactures, and markets innovative human pharmaceuticals globally. Its core business spans treatments for diabetes and obesity (including Mounjaro, Trulicity, and Zepbound), oncology, immunology, and neuroscience. The company advances innovation through strategic collaborations in biotechnology, oncology, and AI-driven drug discovery, reinforcing its leadership in global healthcare.

## GUIDANCE

For fiscal year 2026, the company anticipates revenue between \$80 - \$83 billion.

“

2025 was a pivotal year for Lilly,” said David A. Ricks, chair and CEO. “We reached millions more patients by launching Inluriyo, expanding Mounjaro and Kisunla globally, and advancing orforglipron. We increased manufacturing capacity, broadened U.S. access to obesity medicines, and enter our 150th year positioned to deliver greater global health impact for patients worldwide.

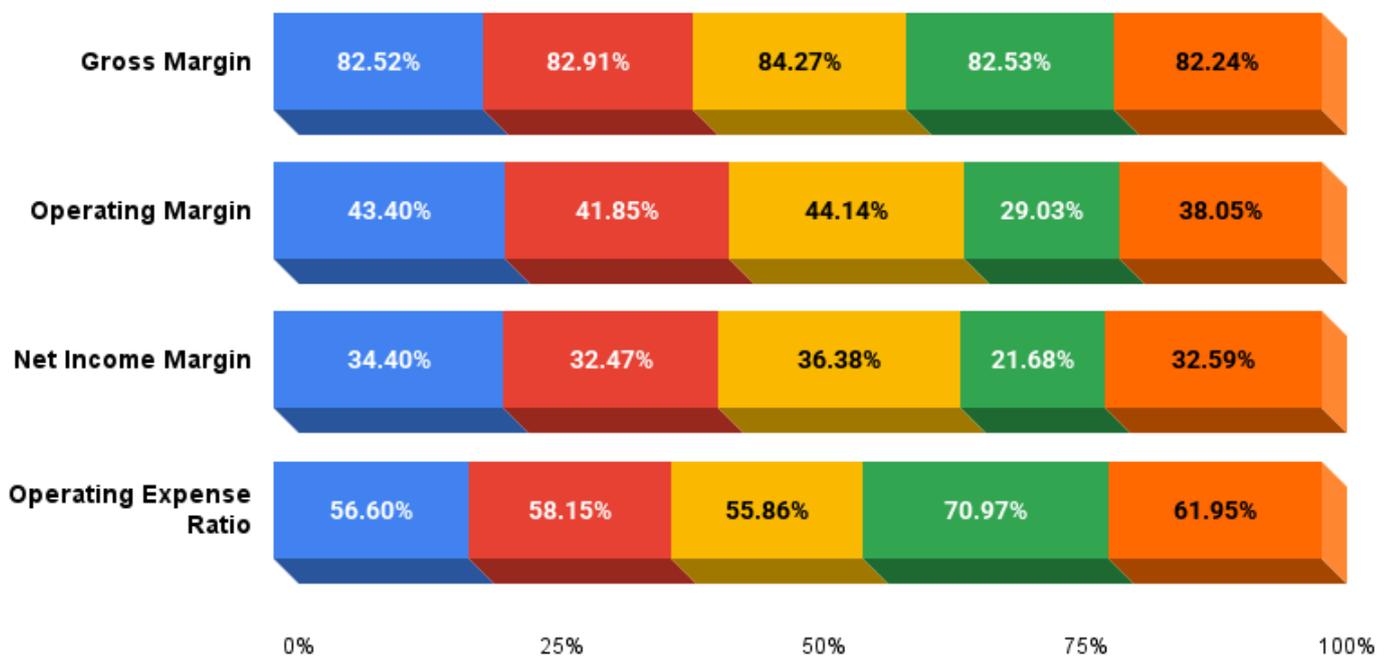
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## Expectation Analysis

USD (\$)	Q4 2025	ESTIMATE	BEAT/MISS
REVENUE	19.30B	17.90B	7.50%
EBIT	8.58B	7.56B	13.50%
EPS (adjusted)	7.54	6.91	9.10%

## Margin and Efficiency Analysis

■ Q4 2025 
 ■ Q3 2025 
 ■ Q2 2025 
 ■ Q1 2025 
 ■ Q4 2024



Revenue/Profitability Summary				
Million USD(\$), except EPS	FY 2025	Q4 2025	YOY	
Revenue	65,179.00	19,292.00	44.70%	
Gross profit	54,127.00	15,920.00	47.79%	
Operating income	26,302.00	8,373.00	103.91%	
Income before income taxes	25,731.00	8,265.00	102.93%	
Net income	20,640.00	6,636.00	94.90%	
Earnings per share (EPS)	22.95	7.39	95.99%	
Cost/Expenses Summary				
Million USD(\$)	FY 2025	Q4 2025	YOY	
Cost of sales	11,052.00	3,372.00	31.29%	
Marketing & administrative	13,337.00	3,802.00	21.34%	
Research & development	11,094.00	3,132.00	29.09%	
Acquired IPR&D	2,910.00	529.00	-11.28%	
Asset impairment, restructuring and other special charges	484.00	84.00	-43.79%	
Total Operating Expense	38,877.00	10,919.00	20.95%	
Income tax	5,091.00	1,629.00	143.59%	
Segment Performance				
Million USD(\$)	FY 2025	Q4 2025	% Revenue	YOY
Cardiometabolic health	48,221.00	14,492.00	73.98%	63.35%
Oncology	9,376.00	2,607.00	14.39%	7.12%
Immunology	5,247.00	1,541.00	8.05%	19.44%
Neuroscience	1,391.00	460.00	2.13%	-5.59%
Other	944.00	192.00	1.45%	4.54%
Geographic Performance				
Income tax	FY 2025	Q4 2025	% Revenue	YOY
US	43,481.00	12,877.00	66.71%	43.15%
International	21,698.00	6,414.00	33.29%	47.93%

# Performance Highlights

- Lilly delivered robust top-line expansion in FY2025, with total revenue rising 45% year-on-year to \$65.2 billion, while fourth-quarter revenue increased 43% to \$19.3 billion. Growth was primarily volume-driven, with a 46% increase in global volumes, partially offset by a 5% decline in realized prices.
- Geographically, performance remained balanced, as U.S. revenue advanced 43% to \$12.9 billion in Q4, supported by a 50% rise in sales volumes despite a 7% reduction in realized prices. International revenue also grew 43% to \$6.4 billion, driven by a 38% increase in volume and a modest 4% favorable foreign-exchange impact.
- Cardiometabolic Health emerged as the principal growth engine, with FY2025 segment revenue increasing 63% year-on-year to \$48.2 billion. Expansion was overwhelmingly driven by GLP-1 and dual-incretin therapies, particularly Mounjaro and Zepbound.
- Mounjaro delivered exceptional momentum, with Q4 revenue surging 110% year-on-year to \$7.4 billion and full-year sales rising 99% to \$23.0 billion. Performance was propelled by strong prescription demand, rapid international adoption, and widening clinical acceptance in diabetes and obesity management, although partially moderated by lower realized pricing in the U.S. market.
- Zepbound recorded the fastest growth trajectory within the portfolio, with Q4 revenue increasing 123% to \$4.3 billion and FY2025 sales advancing 175% to \$13.5 billion. The surge was driven by expanding obesity treatment penetration, accelerated formulary inclusion, and strong direct-to-consumer demand, reinforcing Lilly's leadership in the weight-management therapeutics space.
- Immunology performance remained solid, with annual revenue increasing 19% to \$5.2 billion, supported by continued expansion of Taltz, Omvoh, and Ebglyss. Segment growth was driven by broader indication approvals, improved biologic penetration, and consistent physician uptake, which offset moderating growth rates in more mature immunology brands.
- Oncology delivered steady gains, with FY2025 revenue rising 7% to \$9.4 billion, led by Verzenio, Jaypirca, and Retevmo. While growth was more measured relative to metabolic franchises, sustained clinical pipeline progress and regulatory approvals supported incremental expansion.
- Earnings growth remained strong, with FY2025 GAAP net income rising 95% to \$20.6 billion and diluted EPS increasing 96% to \$22.95, while non-GAAP EPS advanced 86% to \$24.21. The uplift was driven by operating leverage, a modest share count reduction of approximately 1%, and higher contributions from high-growth metabolic therapies.

## Concerns Raised

- Despite strong revenue momentum, pricing pressure remains evident, with realized prices declining approximately 5% globally and 7% in the U.S. in Q4. Ongoing reimbursement negotiations and competitive discounting in the obesity and diabetes markets could compress margins if volume growth moderates.
- Research and development expenditure increased 21% for the full year and 26% in Q4, reflecting aggressive pipeline investment. While strategically necessary, elevated R&D intensity imposes near-term cost burdens and heightens execution risk if late-stage trials fail to translate into commercial approvals.
- Legacy product erosion persists across the insulin and neuroscience portfolios, with several mature brands recording double-digit percentage declines. Continued cannibalization by newer therapies may pressure diversification and increase earnings concentration risk within a narrow set of blockbuster drugs.
- Tax and regulatory headwinds present additional uncertainty, as the effective tax rate rose to approximately 19.8% from the mid-teens range, driven by jurisdictional mix shifts and changes in U.S. tax law.

### OUR INSIGHT

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Lilly's FY 2025 performance underscores exceptional structural growth, driven by its dominant positioning in obesity and diabetes therapeutics, robust volume expansion, and meaningful margin improvement—signaling high earnings quality and a durable competitive advantage. Long-term investment prospects remain compelling, supported by pipeline depth, strong global demand momentum, and scalable profitability. However, key watchpoints include sustained pricing pressure, elevated R&D intensity, regulatory and tax headwinds, and rising earnings concentration within GLP-1 franchises. These factors could heighten volatility if competitive dynamics intensify or policy frameworks shift.

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