UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2025

COMMISSION FILE NUMBER 001-6351

ELI LILLY AND COMPANY

(Exact name of Registrant as specified in its charter)

Indiana	35-0470950
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Lilly Corporate Center, Indianapolis, Indiana 46285
(Address and zip code of principal executive offices)

Registrant's telephone number, including area code (317) 276-2000

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of Each Class	Trading Symbols	Name of Each Exchange On Which Registered
Common Stock (no par value)	LLY	New York Stock Exchange
1.625% Notes due 2026	LLY26	New York Stock Exchange
2.125% Notes due 2030	LLY30	New York Stock Exchange
0.625% Notes due 2031	LLY31	New York Stock Exchange
0.500% Notes due 2033	LLY33	New York Stock Exchange
6.77% Notes due 2036	LLY36	New York Stock Exchange
1.625% Notes due 2043	LLY43	New York Stock Exchange
1.700% Notes due 2049	LLY49A	New York Stock Exchange
1.125% Notes due 2051	LLY51	New York Stock Exchange
1.375% Notes due 2061	LLY61	New York Stock Exchange

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).
Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒

The number of shares of common stock outstanding as of October 27, 2025:

Class	Number of Shares Outstanding
Common	945,383,757

Eli Lilly and Company

Form 10-Q
For the Quarter Ended September 30, 2025

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Forward-Looking Statements

This Quarterly Report on Form 10-Q and our other publicly available documents include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (Exchange Act), and are subject to the safe harbor created thereby under the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that do not relate solely to historical or current facts, and generally can be identified by the use of words such as "may," "could," "aim," "seek," "believe," "will," "expect," "project," "estimate," "intend," "target," "anticipate," "plan," "continue," or similar expressions or future or conditional verbs.

Forward-looking statements inherently involve many risks and uncertainties that could cause actual results to differ from those expressed in forward-looking statements. Forward-looking statements are based on management's current plans and expectations, expressed in good faith and believed to have a reasonable basis. However, we can give no assurance that any expectation or belief will result or will be achieved or accomplished. Investors therefore should not place undue reliance on forward-looking statements. The following include some but not all of the factors that could cause actual results or events to differ from those anticipated:

- the significant costs and uncertainties in the pharmaceutical research and development process, including with respect to the timing and process of obtaining regulatory approvals;
- the impact and uncertain outcome of acquisitions and business development transactions and related costs;
- intense competition affecting our products, pipeline, or industry;
- market uptake of launched products and indications;
- continued pricing pressures and the impact of actions of governmental and private actors affecting pricing of, reimbursement for, and patient access to pharmaceuticals, or reporting obligations related thereto;
- safety or efficacy concerns associated with our or competitive products;
- dependence on relatively few products or product classes for a significant percentage of our total revenue and a consolidated supply chain;
- the expiration of intellectual property protection for certain of our products and competition from generic and biosimilar products;
- our ability to protect and enforce patents and other intellectual property and changes in patent law or regulations related to data package exclusivity;
- information technology system inadequacies, inadequate controls or procedures, security breaches, or operating failures;
- unauthorized access, disclosure, misappropriation, or compromise of confidential information or other data stored in our information technology systems, networks, and facilities, or those of third parties with whom we share our data and violations of data protection laws or regulations;
- issues with product supply and regulatory approvals stemming from manufacturing difficulties, disruptions, or shortages, including as a result of unpredictability and variability in demand, labor shortages, third-party performance, quality, cyber-attacks, or regulatory actions related to our and third-party facilities;
- reliance on third-party relationships and outsourcing arrangements;
- the use of artificial intelligence or other emerging technologies in various facets of our operations, which may exacerbate competitive, regulatory, litigation, cybersecurity, and other risks;
- the impact of global macroeconomic conditions, including uneven economic growth or downturns or uncertainty, trade and other global disputes and interruptions, including related to tariffs, trade protection measures, and similar restrictions, international tension, conflicts, regional dependencies, or other costs, uncertainties, and risks related to engaging in business globally;
- fluctuations in foreign currency exchange rates, changes in interest rates, and inflation or deflation;
- significant and sudden declines or volatility in the trading price of our common stock and market capitalization;
- litigation, investigations, or other similar proceedings involving past, current, or future products or activities;
- changes in tax law and regulation, tax rates, or events that differ from our assumptions related to tax positions;
- regulatory changes, developments, and uncertainty;
- regulatory oversight and actions regarding our operations and products;
- regulatory compliance problems or government investigations;
- risks from the proliferation of counterfeit, misbranded, adulterated, or illegally compounded products;

- actual or perceived deviation from environmental-, social-, or governance-related requirements or expectations;
- asset impairments and restructuring charges; and
- changes in accounting and reporting standards.

More information on factors that could cause our actual results to differ from those expressed in forward-looking statements is included from time to time in our reports filed with the Securities and Exchange Commission, including in our Annual Report on Form 10-K for the year ended December 31, 2024, particularly under Part I, Item 1A, "Risk Factors." Investors should understand that it is not possible to predict or identify all such factors and should not consider the risks described above and under Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K to be a complete statement of all potential risks and uncertainties.

All forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q and are expressly qualified in their entirety by the cautionary statements included in or incorporated by reference into this Quarterly Report on Form 10-Q. Except as is required by law, we expressly disclaim any obligation to publicly release any revisions to forward-looking statements to reflect events after the date of this Quarterly Report on Form 10-Q.

Trademarks and Trade Names

All trademarks or trade names referred to in this Quarterly Report on Form 10-Q are the property of the company, or, to the extent trademarks or trade names belonging to other companies are referenced in this Quarterly Report on Form 10-Q, the property of their respective owners. Solely for convenience, the trademarks and trade names in this Quarterly Report on Form 10-Q are referred to without the ® and ™ symbols, but such references should not be construed as any indicator that the company or, to the extent applicable, their respective owners will not assert, to the fullest extent under applicable law, the company's or their rights thereto. We do not intend the use or display of other companies' trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

PART I. Financial Information

Item 1. Financial Statements

Consolidated Condensed Statements of Operations
(Unaudited)
ELI LILLY AND COMPANY
(Dollars and shares in millions, except per-share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue (Note 2)	**$ 17,600.8**	$ 11,439.1	**$ 45,887.0**	$ 31,509.9
Costs, expenses, and other:				
Cost of sales	**3,008.3**	2,170.8	**7,680.3**	6,014.5
Research and development	**3,465.7**	2,734.1	**9,535.5**	7,968.1
Marketing, selling, and administrative	**2,740.7**	2,099.8	**7,962.6**	6,169.3
Acquired in-process research and development (Note 3)	**655.7**	2,826.4	**2,381.2**	3,091.2
Asset impairment, restructuring, and other special charges (Note 5)	**364.9**	81.6	**399.9**	516.6
Other–net, (income) expense (Note 12)	**133.1**	(62.0)	**462.7**	108.5
	10,368.4	9,850.7	**28,422.2**	23,868.2
Income before income taxes	**7,232.4**	1,588.4	**17,464.8**	7,641.7
Income taxes (Note 8)	**1,649.9**	618.1	**3,462.5**	1,461.5
Net income	**$ 5,582.5**	$ 970.3	**$ 14,002.3**	$ 6,180.2
Earnings per share:				
Basic	**$ 6.22**	$ 1.08	**$ 15.60**	$ 6.86
Diluted	**$ 6.21**	$ 1.07	**$ 15.56**	$ 6.83
Shares used in calculation of earnings per share:				
Basic	**896.9**	901.0	**897.8**	900.9
Diluted	**898.8**	905.0	**899.7**	904.4

See notes to consolidated condensed financial statements.

Consolidated Condensed Statements of Comprehensive Income
(Unaudited)
ELI LILLY AND COMPANY
(Dollars in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Net income	**$ 5,582.5**	$ 970.3	**$ 14,002.3**	$ 6,180.2
Other comprehensive income, net of tax (Note 11)	**509.7**	103.7	**1,115.6**	52.2
Comprehensive income	**$ 6,092.2**	$ 1,074.0	**$ 15,117.9**	$ 6,232.4

See notes to consolidated condensed financial statements.

Consolidated Condensed Balance Sheets
ELI LILLY AND COMPANY
(Dollars in millions)

	September 30, 2025	December 31, 2024
Assets	**(Unaudited)**	
Current Assets		
Cash and cash equivalents (Note 7)	**$ 9,791.9**	$ 3,268.4
Short-term investments (Note 7)	**121.6**	154.8
Accounts receivable, net of allowances of **$21.7 (2025)** and $14.9 (2024)	**16,107.4**	11,005.7
Other receivables	**3,349.8**	2,269.7
Inventories (Note 6)	**12,180.4**	7,589.2
Prepaid expenses (Note 8)	**20,248.7**	8,340.5
Other current assets	**271.5**	111.4
Total current assets	**62,071.3**	32,739.7
Investments (Note 7)	**2,808.3**	3,215.9
Goodwill	**5,898.0**	5,770.3
Other intangibles, net	**6,446.7**	6,166.3
Deferred tax assets	**8,962.7**	8,000.6
Property and equipment, net of accumulated depreciation of **$12,410.9 (2025)** and $11,789.0 (2024)	**22,316.0**	17,102.4
Other noncurrent assets	**6,432.4**	5,719.7
Total assets	**$ 114,935.4**	$ 78,714.9
Liabilities and Equity		
Current Liabilities		
Short-term borrowings and current maturities of long-term debt	**$ 1,633.0**	$ 5,117.1
Accounts payable	**4,262.2**	3,228.6
Employee compensation	**1,965.7**	2,093.9
Sales rebates and discounts	**17,620.2**	11,539.3
Short-term income taxes payable	**9,444.4**	1,116.4
Other current liabilities	**5,215.4**	5,281.3
Total current liabilities	**40,140.9**	28,376.6
Noncurrent Liabilities		
Long-term debt	**40,873.6**	28,527.1
Long-term income taxes payable	**6,293.6**	4,060.9
Other noncurrent liabilities	**3,776.5**	3,478.7
Total noncurrent liabilities	**50,943.7**	36,066.7
Commitments and Contingencies (Note 10)		
Eli Lilly and Company Shareholders' Equity		
Common stock	**591.4**	592.4
Additional paid-in capital	**7,231.9**	7,439.3
Retained earnings	**22,252.0**	13,545.0
Employee benefit trust	**(3,013.2)**	(3,013.2)
Accumulated other comprehensive loss (Note 11)	**(3,206.3)**	(4,321.9)
Cost of common stock in treasury	**(62.5)**	(49.5)
Total Eli Lilly and Company shareholders' equity	**23,793.3**	14,192.1
Noncontrolling interests	**57.5**	79.5
Total equity	**23,850.8**	14,271.6
Total liabilities and equity	**$ 114,935.4**	$ 78,714.9

See notes to consolidated condensed financial statements.

Consolidated Condensed Statements of Shareholders' Equity
(Unaudited)
ELI LILLY AND COMPANY

(Dollars in millions, except per-share data, and shares in thousands)	Equity of Eli Lilly and Company Shareholders								Noncontrolling Interests
	Common Stock		Additional Paid-in Capital	Retained Earnings	Employee Benefit Trust	Accumulated Other Comprehensive Loss	Common Stock in Treasury[1]		
	Shares	Amount					Shares	Amount	
Balance at July 1, 2024	950,781	$ 594.2	$ 7,214.2	$ 13,178.0	$ (3,013.2)	$ (4,378.5)	365	$ (32.7)	$ 73.5
Net income				970.3					11.8
Other comprehensive income, net of tax						103.7			
Retirement of treasury shares	(582)	(0.3)		(520.8)			(582)	521.1	
Purchase of treasury shares							582	(521.1)	
Issuance of stock under employee stock plans, net	16	—	(7.8)						
Stock-based compensation			133.2						
Other				(0.3)					(4.6)
Balance at September 30, 2024	950,215	$ 593.9	$ 7,339.6	$ 13,627.2	$ (3,013.2)	$ (4,274.8)	365	$ (32.7)	$ 80.7
Balance at July 1, 2025	**947,198**	**$ 592.0**	**$ 7,089.3**	**$ 17,376.2**	**$ (3,013.2)**	**$ (3,716.0)**	**365**	**$ (55.4)**	**$ 76.2**
Net income				**5,582.5**					**3.0**
Other comprehensive income, net of tax						**509.7**			
Retirement of treasury shares	**(1,011)**	**(0.6)**		**(707.5)**			**(1,011)**	**708.1**	
Purchase of treasury shares							**1,011**	**(708.1)**	
Issuance of stock under employee stock plans, net	**19**	**—**	**(8.5)**						
Stock-based compensation			**151.1**						
Other				**0.8**				**(7.1)**	**(21.7)**
Balance at September 30, 2025	**946,206**	**$ 591.4**	**$ 7,231.9**	**$ 22,252.0**	**$ (3,013.2)**	**$ (3,206.3)**	**365**	**$ (62.5)**	**$ 57.5**

[1] As of September 30, 2025, there was $12.40 billion remaining under our $15.00 billion share repurchase program authorized in December 2024.

See notes to consolidated condensed financial statements.

(Dollars in millions, except per-share data, and shares in thousands)	Equity of Eli Lilly and Company Shareholders								Noncontrolling Interests
	Common Stock		Additional Paid-in Capital	Retained Earnings	Employee Benefit Trust	Accumulated Other Comprehensive Loss	Common Stock in Treasury[1]		
	Shares	Amount					Shares	Amount	
Balance at January 1, 2024	949,781	$ 593.6	$ 7,250.4	$ 10,312.3	$ (3,013.2)	$ (4,327.0)	402	$ (44.2)	$ 91.8
Net income (loss)				6,180.2					(3.2)
Other comprehensive income, net of tax						52.2			
Cash dividends declared per share: $2.60				(2,342.9)					
Retirement of treasury shares	(582)	(0.3)		(520.8)			(582)	521.1	
Purchase of treasury shares							582	(521.1)	
Issuance of stock under employee stock plans, net	1,016	0.6	(414.5)				(37)	11.5	
Stock-based compensation			503.7						
Other				(1.6)					(7.9)
Balance at September 30, 2024	950,215	$ 593.9	$ 7,339.6	$ 13,627.2	$ (3,013.2)	$ (4,274.8)	365	$ (32.7)	$ 80.7
Balance at January 1, 2025	**947,903**	**$ 592.4**	**$ 7,439.3**	**$ 13,545.0**	**$ (3,013.2)**	**$ (4,321.9)**	**365**	**$ (49.5)**	**$ 79.5**
Net income				**14,002.3**					**28.7**
Other comprehensive income, net of tax						**1,115.6**			
Cash dividends declared per share: $3.00				**(2,692.2)**					
Retirement of treasury shares	**(3,279)**	**(2.0)**		**(2,598.3)**			**(3,279)**	**2,600.3**	
Purchase of treasury shares							**3,279**	**(2,600.3)**	
Issuance of stock under employee stock plans, net	**1,582**	**1.0**	**(697.3)**						
Stock-based compensation			**489.9**						
Other				**(4.8)**				**(13.0)**	**(50.7)**
Balance at September 30, 2025	**946,206**	**$ 591.4**	**$ 7,231.9**	**$ 22,252.0**	**$ (3,013.2)**	**$ (3,206.3)**	**365**	**$ (62.5)**	**$ 57.5**

[1] As of September 30, 2025, there was $12.40 billion remaining under our $15.00 billion share repurchase program authorized in December 2024.

See notes to consolidated condensed financial statements.

Consolidated Condensed Statements of Cash Flows
(Unaudited)
ELI LILLY AND COMPANY
(Dollars in millions)

	Nine Months Ended September 30,	
	2025	**2024**
Cash Flows from Operating Activities		
Net income	**$ 14,002.3**	$ 6,180.2
Adjustments to Reconcile Net Income to Cash Flows from Operating Activities:		
Depreciation and amortization	**1,411.3**	1,281.8
Change in deferred income taxes	**(958.9)**	(1,716.4)
Stock-based compensation expense	**489.9**	503.7
Acquired in-process research and development	**2,381.2**	3,091.2
Other changes in operating assets and liabilities, net of acquisitions	**(4,418.9)**	(3,160.1)
Other operating activities, net	**681.5**	163.7
Net Cash Provided by Operating Activities	**13,588.4**	6,344.1
Cash Flows from Investing Activities		
Purchases of property and equipment	**(5,294.3)**	(3,561.8)
Proceeds from sales of and distributions from noncurrent investments	**832.0**	318.0
Purchases of noncurrent investments	**(518.0)**	(525.1)
Cash paid for acquisitions, net of cash acquired	**(549.4)**	(947.7)
Purchases of in-process research and development	**(2,584.3)**	(3,094.6)
Other investing activities, net	**(55.8)**	430.2
Net Cash Used for Investing Activities	**(8,169.8)**	(7,381.0)
Cash Flows from Financing Activities		
Dividends paid	**(4,038.5)**	(3,512.1)
Net change in short-term borrowings	**(4,337.6)**	(4,894.1)
Proceeds from issuance of long-term debt	**13,167.2**	11,417.1
Repayments of long-term debt	**(778.1)**	(664.2)
Purchases of common stock	**(2,600.3)**	(446.1)
Other financing activities, net	**(746.9)**	(445.1)
Net Cash Provided by Financing Activities	**665.8**	1,455.5
Effect of exchange rate changes on cash and cash equivalents	**439.1**	131.8
Net increase in cash and cash equivalents	**6,523.5**	550.4
Cash and cash equivalents at January 1	**3,268.4**	2,818.6
Cash and Cash Equivalents at September 30	**$ 9,791.9**	$ 3,369.0

See notes to consolidated condensed financial statements.

Notes to Consolidated Condensed Financial Statements
(Tables present dollars in millions, except per-share data, and numbers may not add due to rounding)

Note 1: Basis of Presentation and Implementation of New Financial Accounting Standards

We have prepared the accompanying unaudited consolidated condensed financial statements in accordance with the requirements of Form 10-Q and, therefore, they do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States (GAAP). In our opinion, the consolidated condensed financial statements reflect all adjustments (including those that are normal and recurring) that are necessary for a fair presentation of the results of operations for the periods shown. In preparing financial statements in conformity with GAAP, we must make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosures at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

The information included in this Quarterly Report on Form 10-Q should be read in conjunction with our consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2024. We issued our financial statements by filing them with the Securities and Exchange Commission and have evaluated subsequent events up to the time of the filing of this Quarterly Report on Form 10-Q.

All per-share amounts, unless otherwise noted in the footnotes, are presented on a diluted basis; that is, based on the weighted-average number of common shares outstanding plus the effect of incremental shares from our stock-based compensation programs, if dilutive.

We operate as a single operating segment engaged in the discovery, development, manufacturing, marketing, and sales of pharmaceutical products worldwide. A global research and development organization and a supply chain organization are responsible for the discovery, development, manufacturing, and supply of our products. Our commercial organizations market, distribute, and sell the products. The business is also supported by global corporate staff functions. See Note 13 for additional information.

Implementation of New Financial Accounting Standards

Accounting Standards Update (ASU) 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, establishes incremental disaggregation of income tax disclosures pertaining to the effective tax rate reconciliation and income taxes paid. This standard is effective for fiscal years beginning after December 15, 2024, and requires prospective application with the option to apply it retrospectively. We intend to adopt this standard in our Annual Report on Form 10-K for the year ending December 31, 2025. We are currently evaluating the potential impact of adopting this standard on our disclosures.

ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, requires disaggregation of specific expense categories in the notes to the financial statements and a qualitative description of the remaining expense amounts not separately disaggregated. This standard is effective for annual reporting periods beginning after December 15, 2026, and requires prospective application with the option to apply it retrospectively. We intend to adopt this standard in our Annual Report on Form 10-K for the year ending December 31, 2027. We are currently evaluating the potential impact of adopting this standard on our disclosures.

Note 2: Revenue

The following table summarizes our revenue recognized in our consolidated condensed statements of operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net product revenue	**$ 16,330.5**	$ 10,571.6	**$ 42,657.7**	$ 28,723.0
Collaboration and other revenue	**1,270.3**	867.5	**3,229.3**	2,786.9
Revenue	**$ 17,600.8**	$ 11,439.1	**$ 45,887.0**	$ 31,509.9

We recognize revenue primarily from two different types of contracts, product sales to customers (net product revenue) and collaborations and other arrangements. Revenue recognized from collaborations and other arrangements includes our share of profits from the collaborations, as well as royalties, upfront, and milestone payments we receive under these types of contracts. See Note 4 for additional information related to our collaborations and other arrangements. Collaboration and other revenue disclosed above includes the revenue resulting from our collaboration with Boehringer Ingelheim discussed in Note 4, as well as the sale of product rights. Substantially all of the remainder of collaboration and other revenue is related to contracts accounted for as contracts with customers.

Adjustments to Revenue

Adjustments to revenue recognized as a result of changes in estimates for our most significant United States (U.S.) sales returns, rebates, and discounts liability balances for products shipped in previous periods were less than 1 percent of U.S. revenue during the three and nine months ended September 30, 2025, and 6 percent and 4 percent of U.S. revenue during the three and nine months ended September 30, 2024, respectively.

Disaggregation of Revenue

The following table summarizes revenue, including net product revenue and collaboration and other revenue, by product for the three months ended September 30, 2025 and 2024:

	Three Months Ended September 30,					
	2025			2024		
	U.S.	Outside U.S.	Total	U.S.	Outside U.S.	Total
Cardiometabolic Health:						
Mounjaro	**$ 3,550.1**	**$ 2,965.0**	**$ 6,515.1**	$ 2,384.7	$ 728.0	$ 3,112.7
Zepbound	**3,568.3**	**19.8**	**3,588.1**	1,257.8	—	1,257.8
Trulicity	**706.9**	**345.0**	**1,051.8**	935.3	366.0	1,301.4
Jardiance[1]	**424.2**	**534.8**	**959.0**	335.9	350.5	686.4
Other cardiometabolic health	**617.7**	**446.1**	**1,063.9**	603.3	445.5	1,048.7
Total cardiometabolic health	**8,867.2**	**4,310.7**	**13,177.9**	5,517.0	1,890.0	7,407.0
Oncology:						
Verzenio	**880.3**	**589.8**	**1,470.2**	878.8	490.4	1,369.3
Other oncology	**494.7**	**442.8**	**937.4**	415.5	447.1	862.5
Total oncology	**1,375.0**	**1,032.6**	**2,407.6**	1,294.3	937.5	2,231.8
Immunology:						
Taltz	**583.4**	**318.1**	**901.5**	600.3	279.3	879.6
Other immunology	**190.0**	**270.9**	**460.9**	93.8	212.3	306.1
Total immunology	**773.4**	**589.0**	**1,362.4**	694.1	491.6	1,185.7
Neuroscience	**239.6**	**76.1**	**315.7**	201.3	150.5	351.8
Other	**44.8**	**292.4**	**337.2**	107.0	155.8	262.8
Revenue	**$ 11,300.0**	**$ 6,300.8**	**$ 17,600.8**	$ 7,813.6	$ 3,625.5	$ 11,439.1

[1] Jardiance revenue includes Glyxambi, Synjardy, and Trijardy XR.

The following table summarizes revenue, including net product revenue and collaboration and other revenue, by product for the nine months ended September 30, 2025 and 2024:

	Nine Months Ended September 30,					
	2025			2024		
	U.S.	Outside U.S.	Total	U.S.	Outside U.S.	Total
Cardiometabolic Health:						
Mounjaro	**$ 9,507.8**	**$ 6,048.0**	**$ 15,555.8**	$ 6,318.7	$ 1,691.3	$ 8,010.0
Zepbound	**9,253.6**	**27.7**	**9,281.3**	3,018.4	—	3,018.4
Trulicity	**2,221.2**	**1,018.0**	**3,239.2**	2,894.0	1,109.3	4,003.3
Jardiance[1]	**1,116.2**	**1,547.2**	**2,663.4**	1,133.1	1,009.4	2,142.5
Other cardiometabolic health	**1,708.5**	**1,280.6**	**2,989.2**	1,958.8	1,281.6	3,240.4
Total cardiometabolic health	**23,807.3**	**9,921.5**	**33,728.9**	15,323.0	5,091.6	20,414.6
Oncology:						
Verzenio	**2,467.0**	**1,651.4**	**4,118.3**	2,378.4	1,373.1	3,751.5
Other oncology	**1,373.1**	**1,277.2**	**2,650.4**	1,189.5	1,259.5	2,449.0
Total oncology	**3,840.1**	**2,928.6**	**6,768.7**	3,567.9	2,632.6	6,200.5
Immunology:						
Taltz	**1,608.7**	**902.2**	**2,511.0**	1,486.7	821.7	2,308.4
Other immunology	**443.7**	**751.4**	**1,195.0**	204.3	589.3	793.6
Total immunology	**2,052.4**	**1,653.6**	**3,706.0**	1,691.0	1,411.0	3,102.0
Neuroscience	**676.8**	**255.0**	**931.8**	556.4	524.0	1,080.4
Other	**227.0**	**524.6**	**751.6**	205.0	507.4	712.4
Revenue	**$ 30,603.6**	**$ 15,283.4**	**$ 45,887.0**	$ 21,343.2	$ 10,166.7	$ 31,509.9

[1] Jardiance revenue includes Glyxambi, Synjardy, and Trijardy XR.

The following table summarizes revenue by geographical area:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue[1]:				
U.S.	**$ 11,300.0**	$ 7,813.6	**$ 30,603.6**	$ 21,343.2
Europe	**3,498.1**	1,628.3	**8,461.2**	4,472.7
Japan	**554.7**	429.1	**1,477.8**	1,255.7
China	**560.4**	459.9	**1,477.2**	1,231.2
Rest of world	**1,687.7**	1,108.2	**3,867.2**	3,207.1
Revenue	**$ 17,600.8**	$ 11,439.1	**$ 45,887.0**	$ 31,509.9

[1] Revenue is attributed to the countries based on the location of the customer or other party.

Note 3: Acquisitions

We engage in various forms of business development activities to enhance or refine our product pipeline, including acquisitions, collaborations, investments, and licensing arrangements. In connection with these arrangements, our partners may be entitled to future royalties and/or commercial milestones based on sales if the products are approved for commercialization and/or milestones based on the successful progress of compounds through the development process. We account for each arrangement as either a business combination or an asset acquisition in accordance with GAAP.

Business Combinations

When an acquisition met the definition of a business under GAAP, the assets acquired and liabilities assumed were recorded at their respective fair values as of the acquisition date in our consolidated condensed financial statements. The determination of estimated fair value required management to make significant estimates and assumptions. The excess of the purchase price over the fair value of the acquired net assets was recorded as goodwill. The results of operations of the acquisition are included in our consolidated condensed financial statements from the date of acquisition.

Verve Acquisition

Overview of Transaction

In July 2025, we acquired all shares of Verve Therapeutics, Inc. (Verve) for a purchase price of $10.50 per share in cash (or an aggregate of approximately $549.4 million, net of cash acquired), plus one non-tradeable contingent value right (CVR) per share that entitles the holder to receive up to an additional $3.00 per share (or an aggregate of up to approximately $300 million) payable, subject to certain terms and conditions, upon the achievement of a certain specified milestone. Verve is developing genetic medicines for cardiovascular disease, including VERVE-102, a gene editing medicine targeting PCSK9, a gene linked to cholesterol levels and cardiovascular health. VERVE-102 is being evaluated in a Phase 1b clinical trial study and has been granted Fast Track designation by the U.S. Food and Drug Administration.

Assets Acquired and Liabilities Assumed

Our access to information was limited prior to this acquisition. As a consequence, we are in the process of determining fair values and tax bases of the assets acquired and liabilities assumed, including the identification and valuation of intangible assets and tax exposures. The final determination of these amounts will be completed as soon as possible but no later than one year from the acquisition date. The final determination may result in asset and liability fair values and tax bases that differ from the preliminary estimates and require changes to the preliminary amounts recognized.

The following table summarizes the preliminary amounts recognized for assets acquired and liabilities assumed as of the acquisition date:

Estimated Fair Value at July 25, 2025		
Cash	$	388.7
Acquired in-process research and development (IPR&D)[1]		608.0
Goodwill[2]		127.3
Other assets and liabilities, net		38.9
Acquisition date fair value of consideration transferred		1,162.9
Less:		
Cash acquired		(388.7)
Fair value of CVR liability[3]		(177.0)
Fair value of equity interest in Verve held before the business combination		(47.8)
Cash paid, net of cash acquired	$	549.4

(1) Acquired IPR&D intangibles primarily relate to VERVE-102.
(2) The goodwill recognized from this acquisition is primarily attributable to future unidentified projects and products and the assembled workforce for Verve, which is not deductible for tax purposes.
(3) See Note 7 for a discussion on the estimation of the CVR liability.

The results of operations attributable to this acquisition for the three and nine months ended September 30, 2025 were not material.

Pro forma information has not been included as this acquisition did not have a material impact on our consolidated condensed statements of operations for the three and nine months ended September 30, 2025.

Manufacturing Facility Acquisition

Overview of Transaction

In May 2024, we acquired NexPharm Parent HoldCo, LLC and Isopro Holdings, LLC, which together own the assets of a manufacturing site in Wisconsin, for a purchase price of $924.7 million, net of cash acquired. The facility expands our global parenteral (injectable) product manufacturing network.

Assets Acquired and Liabilities Assumed

The following table summarizes the amounts recognized for assets acquired and liabilities assumed as of the acquisition date:

Estimated Fair Value at May 23, 2024		
Cash	$	2.3
Goodwill[1]		816.5
Property and equipment		108.5
Other assets and liabilities, net		(0.3)
Acquisition date fair value of consideration transferred		927.0
Less:		
Cash acquired		(2.3)
Cash paid, net of cash acquired	$	924.7

[1] The goodwill recognized from this acquisition is primarily attributable to the synergies between the manufacturing capabilities of the site and our products as well as the assembled workforce of the site, which is deductible for tax purposes.

We are unable to provide the results of operations for the three and nine months ended September 30, 2025 attributable to this acquisition as the operations were substantially integrated into our legacy business.

Pro forma information has not been included as this acquisition did not have a material impact on our consolidated condensed statements of operations for the three and nine months ended September 30, 2024.

Asset Acquisitions

Upon each asset acquisition, the cost allocated to acquired IPR&D was immediately expensed as acquired IPR&D if the compound had no alternative future use. Milestone payment obligations incurred prior to regulatory approval of the compound were expensed as acquired IPR&D when the event triggering an obligation to pay the milestone occurred. We recognized acquired IPR&D charges of $655.7 million and $2.38 billion for the three and nine months ended September 30, 2025, respectively, and $2.83 billion and $3.09 billion for the three and nine months ended September 30, 2024, respectively. The following table summarizes our significant acquired IPR&D charges during the three and nine months ended September 30, 2025 and 2024:

Counterparty	Compound(s), Therapy or Asset	Acquisition Month	Phase of Development[1]	Acquired IPR&D Charge
SiteOne Therapeutics, Inc. (SiteOne)	STC-004, Nav1.8 inhibitor for the treatment of pain	July 2025	Phase 1	**$ 494.2**
Scorpion Therapeutics, Inc. (Scorpion)	STX-478, PI3Kα inhibitor for the treatment of breast cancer and other advanced solid tumors	March 2025	Phase 1	**1,412.0**
Morphic Holding, Inc. (Morphic)	MORF-057, inhibitor of α4β7 integrin for the treatment of inflammatory bowel disease	August 2024	Phase 2	2,548.5

[1] The phase of development presented is as of the date of the arrangement and represents the phase of development of the most advanced asset acquired, where applicable.

Note 4: Collaborations and Other Arrangements

We often enter into collaborative and other arrangements to develop and commercialize drug candidates or to sell the rights of a product. See Note 2 for a discussion of our recognition of revenue from our collaborations and other arrangements.

Collaborative activities may include research and development, marketing and selling, manufacturing, and distribution for which we may receive from or pay to the collaboration partner expense reimbursements. Operating expenses for costs incurred pursuant to these arrangements are reported in their respective expense line item, net of any payments due to or reimbursements due from our collaboration partners, with such reimbursements being recognized at the time the party becomes obligated to pay. Each arrangement is unique in nature, and our more significant arrangements are discussed below.

Boehringer Ingelheim Collaboration

We and Boehringer Ingelheim have a global agreement to jointly develop and commercialize a portfolio of compounds. Boehringer Ingelheim's Jardiance product family, that includes Glyxambi, Synjardy, and Trijardy XR, is the significant product family included in the collaboration.

For the Jardiance product family, we and Boehringer Ingelheim generally share equally in certain significant ongoing development and commercialization costs, and we record our portion of the development and commercialization costs as research and development expense and marketing, selling, and administrative expense, respectively. We receive a royalty on net sales of the Jardiance product family in the most significant markets and recognize the royalty as collaboration and other revenue. Boehringer Ingelheim is entitled to potential performance payments depending on the net sales of the Jardiance product family; therefore, our reported revenue for Jardiance may be reduced by any potential performance payments we make related to this product family. The royalty received by us related to the Jardiance product family may also be increased or decreased depending on whether net sales for this product family exceed or fall below certain thresholds. The following table summarizes our revenue recognized:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Jardiance	**$ 959.0**	$ 686.4	**$ 2,663.4**	$ 2,142.5

In the first quarter of 2025, we and Boehringer Ingelheim amended our collaboration to adjust commercialization responsibilities for the Jardiance product family in certain markets, resulting in our recognition of a one-time benefit of $370.0 million as Jardiance revenue during the nine months ended September 30, 2025.

During the three and nine months ended September 30, 2025, we recognized a $200.0 million sales-based milestone for Jardiance. As of September 30, 2025, we have the right to receive up to $410.0 million in potential sales-based milestones related to the Jardiance product family in certain markets in 2026.

Ebglyss

We have a license agreement with F. Hoffmann-La Roche Ltd and Genentech, Inc. (collectively, Roche), which provides us the worldwide development and commercialization rights to lebrikizumab, which is branded and trademarked as Ebglyss. Roche receives tiered royalty payments on worldwide net sales ranging in percentages from high single digits to high teens, which we recognize as cost of sales. As of September 30, 2025, Roche is eligible to receive additional payments from us, including up to $975.0 million in potential sales-based milestones. During the three and nine months ended September 30, 2025 and 2024, milestone payments to Roche were not material.

We have a license agreement with Almirall, S.A. (Almirall), under which Almirall licensed the rights to develop and commercialize Ebglyss, for the treatment or prevention of dermatology indications, including, but not limited to, atopic dermatitis in Europe. We receive tiered royalty payments on net sales in Europe ranging in percentages from low double digits to low twenties, which we recognize as collaboration and other revenue. During the three and nine months ended September 30, 2025 and 2024, collaboration and other revenue recognized under this license agreement was not material. As of September 30, 2025, we are eligible to receive additional payments up to $1.25 billion in a series of sales-based milestones.

Orforglipron

We have a license agreement with Chugai Pharmaceutical Co., Ltd (Chugai), which provides us with the worldwide development and commercialization rights to orforglipron. Chugai has the right to receive tiered royalty payments on future worldwide net sales from mid-single digits to low teens if the product is successfully commercialized. As of September 30, 2025, Chugai is eligible to receive up to $140.0 million contingent upon the achievement of success-based regulatory milestones and up to $250.0 million in a series of sales-based milestones, contingent upon the commercial success of orforglipron. During the three and nine months ended September 30, 2025 and 2024, milestone payments to Chugai were not material.

Note 5: Asset Impairment, Restructuring, and Other Special Charges

Asset impairment, restructuring, and other special charges recognized during the three and nine months ended September 30, 2025 were $364.9 million and $399.9 million, respectively, which primarily related to a litigation charge, as well as acquisition and integration costs associated with the closing of our acquisition of Verve.

Asset impairment, restructuring, and other special charges recognized during the three months ended September 30, 2024 were $81.6 million, which primarily related to impairment of an intangible asset in development driven by expected commercial projections. Asset impairment, restructuring, and other special charges recognized during the nine months ended September 30, 2024 were $516.6 million, which primarily related to a litigation charge and the previously mentioned impairment.

See Note 10 for additional information related to litigation charges.

Note 6: Inventories

The following table summarizes components of inventories:

	September 30, 2025	December 31, 2024
Finished products	**$ 1,547.2**	$ 1,220.8
Work in process	**7,274.5**	3,979.5
Raw materials and supplies	**3,397.1**	2,326.0
Total (approximates replacement cost)	**12,218.8**	7,526.3
(Decrease) increase to last-in, first-out (LIFO) cost	**(38.4)**	62.9
Inventories	**$ 12,180.4**	$ 7,589.2

When we believe that future commercialization is probable and the future economic benefit is expected to be realized, we capitalize pre-launch inventory prior to regulatory approval. A number of factors are considered, including the current status in the regulatory approval process, potential impediments to the approval process such as safety or efficacy, viability of commercialization, and marketplace trends. Pre-launch inventories capitalized as of September 30, 2025 were $952.3 million, primarily related to orforglipron.

Note 7: Financial Instruments

Investments in Equity and Debt Securities

Our equity investments are accounted for using three different methods depending on the type of equity investment:

- Investments in companies over which we have significant influence but not a controlling interest are accounted for using the equity method, with our share of earnings or losses reported in other-net, (income) expense.
- For equity investments that do not have readily determinable fair values, we measure these investments at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer. Any change in recorded value is recorded in other-net, (income) expense.
- Our public equity investments are measured and carried at fair value. Any change in fair value is recognized in other-net, (income) expense.

We adjust our equity investments without readily determinable fair values based upon changes in the equity instruments' values resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. Downward adjustments resulting from an impairment are recorded based upon impairment considerations, including the financial condition and near-term prospects of the issuer, general market conditions, and industry specific factors. Adjustments recorded for the three and nine months ended September 30, 2025 and 2024 were not material.

The net gains (losses) recognized in our consolidated condensed statements of operations for equity securities were $46.9 million and $14.1 million for the three and nine months ended September 30, 2025, respectively, and $112.4 million and $(29.5) million for the three and nine months ended September 30, 2024, respectively. The net gains (losses) recognized for the three and nine months ended September 30, 2025 and 2024 on equity securities sold during the respective periods were not material.

As of September 30, 2025, we had approximately $878 million of unfunded commitments to invest in venture capital funds, which we anticipate will be paid over a period of up to 10 years.

We record our available-for-sale debt securities at fair value, with changes in fair value reported as a component of accumulated other comprehensive income (loss). We periodically assess our investment in available-for-sale securities for impairment losses and credit losses. The amount of credit losses is determined by comparing the difference between the present value of future cash flows expected to be collected on these securities and the amortized cost. Factors considered in assessing credit losses include the position in the capital structure, vintage and amount of collateral, delinquency rates, current credit support, and geographic concentration. Impairment and credit losses related to available-for-sale securities were not material for the three and nine months ended September 30, 2025 and 2024.

The table below summarizes the contractual maturities of our investments in debt securities measured at fair value as of September 30, 2025:

		Maturities by Period			
	Total	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Fair value of debt securities	$ 356.0	$ 12.7	$ 119.4	$ 63.8	$ 160.1

A summary of the amount of unrealized gains and losses in accumulated other comprehensive loss and the fair value of available-for-sale securities in an unrealized gain or loss position is as follows:

	September 30, 2025	December 31, 2024
Unrealized gross gains	**$ 3.3**	$ 1.6
Unrealized gross losses	**11.1**	43.2
Fair value of securities in an unrealized gain position	**177.6**	142.6
Fair value of securities in an unrealized loss position	**177.2**	491.2

As of September 30, 2025, the available-for-sale securities in an unrealized loss position include primarily fixed-rate debt securities of varying maturities, which are sensitive to changes in the yield curve and other market conditions. Substantially all of the fixed-rate debt securities in a loss position are investment-grade debt securities. As of September 30, 2025, we do not intend to sell, and it is not more likely than not that we will be required to sell, the securities in a loss position before the market values recover or the underlying cash flows have been received, and there is no indication of a material default on interest or principal payments for our debt securities.

Realized gains and losses on sales of available-for-sale investments are computed based upon specific identification of the initial cost adjusted for any other-than-temporary declines in fair value that were recorded in earnings and were not material for the three and nine months ended September 30, 2025 and 2024. Proceeds from sales of available-for-sale investments were $381.5 million and $470.3 million for the three and nine months ended September 30, 2025, respectively, and $23.2 million and $68.6 million for the three and nine months ended September 30, 2024, respectively.

Fair Value of Investments

The following table summarizes certain fair value information at September 30, 2025 and December 31, 2024 for investment assets measured at fair value on a recurring basis, as well as the carrying amount and amortized cost of certain other investments:

			Fair Value Measurements Using			
	Carrying Amount	Cost[1]	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
September 30, 2025						
Cash equivalents[2]	**$ 7,400.1**	**$ 7,400.1**	**$ 7,400.1**	**$ —**	**$ —**	**$ 7,400.1**
Short-term investments:						
U.S. government and agency securities	**$ 7.8**	**$ 7.9**	**$ 7.8**	**$ —**	**$ —**	**$ 7.8**
Corporate debt securities	**4.9**	**4.9**	**—**	**4.9**	**—**	**4.9**
Other securities	**108.9**	**108.9**	**—**	**11.4**	**97.5**	**108.9**
Short-term investments	**$ 121.6**					
Noncurrent investments:						
U.S. government and agency securities	**$ 70.1**	**$ 73.9**	**$ 70.1**	**$ —**	**$ —**	**$ 70.1**
Corporate debt securities	**119.3**	**120.3**	**—**	**119.3**	**—**	**119.3**
Mortgage-backed securities	**127.2**	**130.8**	**—**	**127.2**	**—**	**127.2**
Asset-backed securities	**26.7**	**26.6**	**—**	**26.7**	**—**	**26.7**
Other securities	**101.2**	**57.1**	**—**	**6.4**	**94.8**	**101.2**
Marketable equity securities	**319.7**	**324.9**	**319.7**	**—**	**—**	**319.7**
Equity investments without readily determinable fair values[3]	**821.9**					
Equity method investments[3]	**1,222.2**					
Noncurrent investments	**$ 2,808.3**					
December 31, 2024						
Cash equivalents[2]	$ 1,506.9	$ 1,506.9	$ 1,494.1	$ 12.8	$ —	$ 1,506.9
Short-term investments:						
U.S. government and agency securities	$ 29.2	$ 29.3	$ 29.2	$ —	$ —	$ 29.2
Corporate debt securities	65.3	65.4	—	65.3	—	65.3
Asset-backed securities	0.6	0.7	—	0.6	—	0.6
Other securities	59.7	59.7	—	16.7	43.0	59.7
Short-term investments	$ 154.8					
Noncurrent investments:						
U.S. government and agency securities	$ 140.2	$ 156.4	$ 140.2	$ —	$ —	$ 140.2
Corporate debt securities	211.4	225.0	—	211.4	—	211.4
Mortgage-backed securities	165.3	177.2	—	165.3	—	165.3
Asset-backed securities	56.7	57.5	—	56.7	—	56.7
Other securities	150.3	102.6	—	6.3	144.0	150.3
Marketable equity securities	485.5	494.6	485.5	—	—	485.5
Equity investments without readily determinable fair values[3]	863.8					
Equity method investments[3]	1,142.7					
Noncurrent investments	$ 3,215.9					

[1] For available-for-sale debt securities, amounts disclosed represent the securities' amortized cost.

[2] We consider all highly liquid investments with a maturity of three months or less from the date of purchase to be cash equivalents. The cost of these investments approximates fair value.

[3] Fair value disclosures are not applicable for equity method investments and investments accounted for under the measurement alternative for equity investments.

We determine our Level 1 and Level 2 fair value measurements based on a market approach using quoted market values, significant other observable inputs for identical or comparable assets or liabilities, or discounted cash flow analyses. Level 3 fair value measurements for other investment securities are determined using unobservable inputs, including the investments' cost adjusted for impairments and price changes from orderly transactions. Fair values are not readily available for certain equity investments measured under the measurement alternative.

Debt

In August 2025, we issued $750.0 million of floating-rate notes due in 2028, $1.00 billion of 4.000 percent fixed-rate notes due in 2028, $750.0 million of 4.250 percent fixed-rate notes due in 2031, $1.00 billion of 4.550 percent fixed-rate notes due in 2032, $1.25 billion of 4.900 percent fixed-rate notes due in 2035, $1.00 billion of 5.550 percent fixed-rate notes due in 2055, and $1.00 billion of 5.650 percent fixed-rate notes due in 2065. Interest on the fixed-rate notes is to be paid semi-annually. Interest on the floating-rate notes is calculated using the Secured Overnight Financing Rate (SOFR) plus a .530 percent spread, reset quarterly, and is to be paid quarterly. We have used, or expect to use, the net cash proceeds from this offering for general business purposes, including the repayment of commercial paper.

In February 2025, we issued $1.00 billion of 4.550 percent fixed-rate notes due in 2028, $1.25 billion of 4.750 percent fixed-rate notes due in 2030, $1.00 billion of 4.900 percent fixed-rate notes due in 2032, $1.25 billion of 5.100 percent fixed-rate notes due in 2035, $1.25 billion of 5.500 percent fixed-rate notes due in 2055, and $750.0 million of 5.600 percent fixed-rate notes due in 2065, all with interest to be paid semi-annually. We used the net cash proceeds from this offering to fund the acquisition of Scorpion's PI3Kα inhibitor program STX-478 and related fees and expenses and for general business purposes, including the repayment of commercial paper.

In August 2024, we issued $5.00 billion aggregate principal amount of notes. We used a portion of the net cash proceeds to fund the acquisition of Morphic and related fees and expenses, with remaining funds used for general business purposes, including the repayment of outstanding commercial paper.

In February 2024, we issued $6.50 billion aggregate principal amount of notes. We used the net cash proceeds from this offering for general business purposes, including the repayment of commercial paper, and the repayment of then-current maturities of long-term debt.

In August 2025, we renewed our 364-day credit facility and increased capacity to $6.00 billion, which is available to support our commercial paper program. We have not drawn against the 364-day facility as of September 30, 2025.

In August 2025, we extended our multi-year credit facility and increased capacity to $4.00 billion, which will now expire in December 2029 and is available to support our commercial paper program. We have not drawn against the multi-year facility as of September 30, 2025.

Fair Value of Debt

The following table summarizes certain fair value information for our short-term and long-term debt:

		Fair Value Measurements Using			
	Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Short-term commercial paper borrowings					
September 30, 2025	$ —	$ —	$ —	$ —	$ —
December 31, 2024	4,337.6	—	4,319.4	—	4,319.4
Long-term debt, including current portion					
September 30, 2025	**42,506.6**	**—**	**39,991.3**	**—**	**39,991.3**
December 31, 2024	29,306.7	—	26,249.0	—	26,249.0

Risk Management and Related Financial Instruments

Financial instruments that potentially subject us to credit risk consist principally of trade receivables and interest-bearing investments. Wholesale distributors of our products account for a substantial portion of our trade receivables; collateral is generally not required. We seek to mitigate the risk associated with this concentration through our ongoing credit-review procedures and insurance. The majority of our cash is held by a few major financial institutions that have been identified as Global Systemically Important Banks (G-SIBs) by the Financial Stability Board. G-SIBs are subject to rigorous regulatory testing and oversight and must meet certain capital requirements. We monitor our exposures with these institutions and do not expect any of these institutions to fail to meet their obligations. In accordance with documented corporate risk-management policies, we monitor the amount of credit exposure to any one financial institution or corporate issuer based on the credit rating of our counterparty. We are exposed to credit-related losses in the event of nonperformance by counterparties to risk-management instruments but do not expect significant counterparties to fail to meet their obligations given their investment grade credit ratings.

We have entered into accounts receivable factoring agreements with financial institutions to sell certain of our non-U.S. accounts receivable. These transactions are accounted for as sales and result in a reduction in accounts receivable because the agreements transfer effective control over, and risk related to, the receivables to the buyers. We derecognized $440.4 million and $421.6 million of accounts receivable as of September 30, 2025 and December 31, 2024, respectively, under these factoring arrangements. The costs of factoring such accounts receivable as well as estimated credit losses were not material for the three and nine months ended September 30, 2025 and 2024.

Our derivative activities are initiated within the guidelines of documented corporate risk-management policies and are intended to offset losses and gains on the assets, liabilities, and transactions being hedged. Management reviews the correlation and effectiveness of our derivatives on a quarterly basis.

For derivative instruments that are designated and qualify as fair value hedges, the derivative instrument is marked to market, with gains and losses recognized currently in income to offset the respective losses and gains recognized on the underlying exposure. For derivative instruments that are designated and qualify as cash flow hedges, gains and losses are reported as a component of accumulated other comprehensive income (loss) (see Note 11) and reclassified into earnings in the same period the hedged transaction affects earnings. For derivative and non-derivative instruments that are designated and qualify as net investment hedges, the foreign currency translation gains or losses due to spot rate fluctuations are reported as a component of accumulated other comprehensive income (loss) (see Note 11). Derivative contracts that are not designated as hedging instruments are recorded at fair value with the gain or loss recognized in earnings during the period of change.

We manage foreign currency exchange risk through the use of foreign currency debt, cross-currency interest rate swaps, and foreign currency forward contracts. Our foreign currency-denominated notes had carrying amounts of $6.79 billion and $6.03 billion as of September 30, 2025 and December 31, 2024, respectively, of which $6.02 billion and $5.34 billion have been designated as, and are effective as, hedges of net investments in certain of our foreign operations as of September 30, 2025 and December 31, 2024, respectively. At September 30, 2025, we had outstanding cross-currency interest rate swaps with notional amounts of 402.0 million Swiss francs swapping Swiss francs to U.S. dollars, with settlement dates ranging through 2028. Our cross-currency interest rate swaps have been designated as, and are effective as, cash flow hedges. At September 30, 2025, we had outstanding foreign currency forward contracts to sell 34.98 billion euro and to sell 4.95 billion Chinese yuan with settlement dates ranging through 2026, which have been designated as, and are effective as, hedges of net investments.

We may also enter into foreign currency forward or option contracts as economic hedges to manage exposures arising from subsidiary trade and loan payables and receivables denominated in foreign currencies (primarily the euro, Japanese yen, Chinese yuan, and British pound sterling). Foreign currency derivatives used for hedging are put in place using the same or like currencies and duration as the underlying exposures. These contracts are recorded at fair value with the gain or loss recognized in other–net, (income) expense. Forward contracts generally have maturities not exceeding 12 months. At September 30, 2025, our significant outstanding foreign currency forward commitments were as follows, all of which have settlement dates within 180 days:

September 30, 2025			
Purchase		Sell	
Currency	Amount (in millions)	Currency	Amount (in millions)
Euro	40,432.1	U.S. dollars	47,801.5
U.S. dollars	3,275.1	Euro	2,776.8
U.S. dollars	1,434.5	Chinese yuan	10,167.2

In the normal course of business, our operations are exposed to fluctuations in interest rates which can vary the costs of financing, investing, and operating. We seek to address a portion of these risks through a controlled program of risk management that includes the use of derivative financial instruments. The objective of controlling these risks is to limit the impact of fluctuations in interest rates on earnings. Our primary interest rate risk exposure results from changes in short-term U.S. dollar interest rates. In an effort to manage interest rate exposures, we strive to achieve an acceptable balance between fixed- and floating-rate debt and investment positions and may enter into interest rate swaps or collars to help maintain that balance.

Interest rate swaps or collars that convert our fixed-rate debt to a floating rate are designated as fair value hedges of the underlying instruments. Interest rate swaps or collars that convert floating-rate debt to a fixed rate are designated as cash flow hedges. Interest expense on the debt is adjusted to include the payments made or received under the swap agreements. Cash proceeds from or payments to counterparties resulting from the termination of interest rate swaps are classified as operating activities in our consolidated condensed statements of cash flows. At September 30, 2025, substantially all of our total long-term debt is at a fixed rate. We have converted approximately 4 percent of our long-term fixed-rate notes to floating rates through the use of interest rate swaps.

We also may enter into forward-starting interest rate swaps and treasury locks, which we designate as cash flow hedges, as part of any anticipated future debt issuances in order to reduce the risk of cash flow volatility from future changes in interest rates. The change in fair value of these instruments is recorded as part of other comprehensive income (loss) (see Note 11) and, upon completion of a debt issuance and termination of the instrument, is amortized to interest expense over the life of the underlying debt. Cash proceeds or payments from the termination of these instruments are classified as operating activities in our consolidated condensed statements of cash flows.

The Effect of Risk-Management Instruments on the Consolidated Condensed Statements of Operations

The following effects of risk-management instruments were recognized in other–net, (income) expense:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Fair value hedges:				
Effect from hedged fixed-rate debt	**$ 8.7**	$ 48.0	**$ 64.1**	$ 29.0
Effect from interest rate contracts	**(8.7)**	(48.0)	**(64.1)**	(29.0)
Cash flow hedges:				
Effective portion of losses on interest rate contracts reclassified from accumulated other comprehensive loss	**0.2**	1.4	**3.0**	5.8
Cross-currency interest rate swaps	**(0.2)**	(28.8)	**(60.8)**	58.5
Net (gains) losses on foreign currency exchange contracts not designated as hedging instruments	**170.3**	(0.2)	**(468.4)**	33.8
Total	**$ 170.3**	$ (27.6)	**$ (526.2)**	$ 98.1

During the three and nine months ended September 30, 2025 and 2024, the amortization of losses related to the portion of our risk management hedging instruments, fair value hedges, and cash flow hedges that was excluded from the assessment of effectiveness was not material.

The Effect of Risk-Management Instruments on Other Comprehensive Income (Loss)

The effective portion of risk-management instruments that was recognized in other comprehensive income (loss) is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net investment hedges:				
Foreign currency-denominated notes	**$ 5.5**	$ (250.2)	**$ (682.7)**	$ (76.3)
Cross-currency interest rate swaps	**—**	(26.0)	**(10.5)**	(6.8)
Foreign currency forward contracts	**0.6**	(304.1)	**(1,292.1)**	(172.3)
Cash flow hedges:				
Forward-starting interest rate swaps	**14.3**	(23.6)	**(10.4)**	53.8
Cross-currency interest rate swaps	**(2.8)**	(7.9)	**(6.9)**	7.7

During the three and nine months ended September 30, 2025 and 2024, the amounts excluded from the assessment of hedge effectiveness recognized in other comprehensive income (loss) were not material. As of September 30, 2025, the amount of pre-tax gains or losses on cash flow hedges expected to be reclassified from accumulated other comprehensive income (loss) to other–net, (income) expense during the next 12 months is not material.

Fair Value of Risk-Management Instruments

The following table summarizes certain fair value information at September 30, 2025 and December 31, 2024 for risk management assets and liabilities measured at fair value on a recurring basis:

		Fair Value Measurements Using		
	Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
September 30, 2025					
Risk-management instruments:					
Interest rate contracts designated as fair value hedges:					
Other noncurrent assets	**$ 15.9**	**$ —**	**$ 15.9**	**$ —**	**$ 15.9**
Other current liabilities	**(1.3)**	**—**	**(1.3)**	**—**	**(1.3)**
Other noncurrent liabilities	**(69.7)**	**—**	**(69.7)**	**—**	**(69.7)**
Cross-currency interest rate contracts designated as cash flow hedges:					
Other noncurrent assets	**103.9**	**—**	**103.9**	**—**	**103.9**
Foreign exchange contracts designated as net investment hedges:					
Other receivables	**306.0**	**—**	**306.0**	**—**	**306.0**
Other current liabilities	**(702.2)**	**—**	**(702.2)**	**—**	**(702.2)**
Foreign exchange contracts not designated as hedging instruments:					
Other receivables	**19.9**	**—**	**19.9**	**—**	**19.9**
Other current liabilities	**(238.0)**	**—**	**(238.0)**	**—**	**(238.0)**
Contingent consideration liabilities:					
Other noncurrent liabilities	**(226.9)**	**—**	**—**	**(226.9)**	**(226.9)**
December 31, 2024					
Risk-management instruments:					
Interest rate contracts designated as fair value hedges:					
Other current liabilities	$ (2.0)	$ —	$ (2.0)	$ —	$ (2.0)
Other noncurrent liabilities	(117.8)	—	(117.8)	—	(117.8)
Cross-currency interest rate contracts designated as net investment hedges:					
Other receivables	10.3	—	10.3	—	10.3
Cross-currency interest rate contracts designated as cash flow hedges:					
Other noncurrent assets	50.7	—	50.7	—	50.7
Foreign exchange contracts designated as hedging instruments:					
Other receivables	297.0	—	297.0	—	297.0
Foreign exchange contracts not designated as hedging instruments:					
Other receivables	39.5	—	39.5	—	39.5
Other current liabilities	(93.4)	—	(93.4)	—	(93.4)
Contingent consideration liabilities:					
Other noncurrent liabilities	(32.3)	—	—	(32.3)	(32.3)

Risk-management instruments above are disclosed on a gross basis. There are various rights of setoff associated with certain of the risk-management instruments above that are subject to enforceable master netting arrangements or similar agreements. Although various rights of setoff and master netting arrangements or similar agreements may exist with the individual counterparties to the risk-management instruments above, individually, these financial rights are not material.

Contingent consideration liabilities relate to our liabilities arising in connection with the CVRs issued as a result of acquisitions of businesses. The fair values of the CVR liabilities were estimated using a discounted cash flow analysis and Level 3 inputs, including projections representative of a market participant's view of the expected cash payments associated with the agreed upon regulatory milestones based on probabilities of technical success, timing of the potential milestone events for the compounds, and estimated discount rates.

Note 8: Income Taxes

In July 2025, the One Big Beautiful Bill Act (OBBBA), which implemented certain U.S. tax law changes, was enacted into law. The OBBBA modified and made permanent several provisions of the Tax Cuts and Jobs Act, including reductions in scheduled increases for the rate of taxation of foreign income, immediate deductibility of U.S. research and development expenses, and reinstatement of 100% bonus depreciation for capital assets. For the three months ended September 30, 2025, we recorded income tax expense of $350.3 million related to adjusting our income tax provision for prior periods of 2025 and remeasuring our deferred tax assets and liabilities in connection with the enactment of OBBBA.

The effective tax rates were 22.8 percent and 19.8 percent for the three and nine months ended September 30, 2025, respectively, compared to 38.9 percent and 19.1 percent for the three and nine months ended September 30, 2024, respectively, primarily driven by unfavorable tax impacts of non-deductible acquired IPR&D charges, with a larger impact occurring in 2024. As a result of the OBBBA, the effective tax rates for the three and nine months ended September 30, 2025 were unfavorably impacted by incremental tax expense recognized in these periods.

At September 30, 2025 and December 31, 2024, prepaid expenses included prepaid taxes of $18.69 billion and $7.13 billion, respectively.

The U.S. examination of tax years 2019-2021 remains ongoing. For tax years 2016-2018, we are pursuing competent authority assistance through the Mutual Agreement Procedure process for the pricing of certain intercompany transactions. The resolution of both audit periods will likely extend beyond the next 12 months.

Note 9: Retirement Benefits

Net pension and retiree health (benefit) cost included the following components:

	Defined Benefit Pension Plans			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Components of net periodic (benefit) cost:				
Service cost	**$ 76.7**	$ 84.9	**$ 242.9**	$ 254.3
Interest cost	**175.3**	165.9	**523.1**	496.6
Expected return on plan assets	**(272.7)**	(278.8)	**(813.9)**	(834.3)
Amortization of prior service cost	**0.6**	0.6	**1.6**	1.6
Recognized actuarial loss	**14.1**	31.4	**56.9**	93.8
Net periodic (benefit) cost	**$ (6.0)**	$ 4.0	**$ 10.6**	$ 12.0

	Retiree Health Benefit Plans			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Components of net periodic benefit:				
Service cost	**$ 8.3**	$ 8.9	**$ 24.7**	$ 26.6
Interest cost	**16.0**	15.5	**48.0**	46.6
Expected return on plan assets	**(46.3)**	(48.0)	**(138.7)**	(144.1)
Amortization of prior service benefit	**(0.1)**	(1.4)	**(0.3)**	(4.2)
Recognized actuarial gain	**(0.9)**	(0.6)	**(2.8)**	(1.9)
Net periodic benefit	**$ (23.0)**	$ (25.6)	**$ (69.1)**	$ (77.0)

Note 10: Contingencies

We are and may become involved in various lawsuits, claims, government investigations and other legal proceedings that arise from time to time in the course of our business, including patent, environmental, commercial, contractual, licensing, employment, health and safety, consumer fraud, pricing, access, consumer, sales and marketing, product liability, insurance, antitrust, securities, and regulatory compliance matters, among others. Such matters may involve inquiries from or disputes with various types of parties, including governments, regulatory agencies, competitors, customers, suppliers, service providers, licensees, employees, or shareholders, among others. We cannot predict the final outcome of these proceedings, and while we intend to vigorously prosecute or defend our position as appropriate, there can be no assurance that we will be successful or obtain any requested relief. Matters often develop over a long period of time and expectations can change as a result of new findings, rulings, appeals, settlements, legal or regulatory changes, or other factors. From time to time we may discontinue or settle and compromise matters as appropriate in our best interest.

Legal proceedings that we believe are significant or could become significant or material are described below. For proceedings in which we are named as defendants, unless otherwise noted, we cannot reasonably estimate the maximum potential exposure or the range of possible loss in excess of amounts accrued; however, we believe that the resolution of all such matters will not have a material adverse effect on our consolidated financial position or liquidity, but could possibly be material to our consolidated results of operations in any one accounting period.

Litigation accruals and environmental liabilities and any related estimated insurance recoverables are reflected on a gross basis as liabilities and assets, respectively, on our consolidated balance sheets. We accrue for estimated exposures to the extent they are both probable and reasonably estimable based on the then available information. We accrue for certain unfiled product liability claims to the extent we can formulate a reasonable estimate of their exposure. We estimate these exposures based primarily on historical claims experience and data regarding product usage. Legal defense costs expected to be incurred in connection with significant liability loss contingencies are accrued when both probable and reasonably estimable.

Because of the nature of pharmaceutical products, it is possible that we could become subject to large numbers of additional product liability and related claims in the future. Due to a very restrictive market for litigation liability insurance, we are self-insured for litigation liability losses for all our currently and previously marketed products.

Patent Matters

In the course of our business, we are subject to actions and proceedings by third parties that seek to challenge, invalidate, or circumvent our patents and patent applications relating to our products, product candidates, and technologies, including the matter described below.

Emgality Patent Litigation

In September 2018, Teva Pharmaceuticals International GmbH and Teva Pharmaceuticals USA, Inc. (collectively, Teva) filed a complaint in the U.S. District Court for the District of Massachusetts alleging that Lilly's launch and continued sales of Emgality infringed various claims in three Teva patents. In November 2022, following a trial, a jury returned a verdict in favor of Teva. In September 2023, the trial court overruled the jury verdict, found all asserted claims invalid, and entered judgment in Lilly's favor. In October 2023, Teva appealed to the U.S. Court of Appeals for the Federal Circuit. The appeal is pending.

Environmental Matters

Superfund Matters

Under the Comprehensive Environmental Response, Compensation, and Liability Act, commonly known as "Superfund," we have been designated as one of several potentially responsible parties with respect to the cleanup of fewer than 10 sites. Under Superfund, each responsible party may be jointly and severally liable for the entire amount of the cleanup.

Brazil Litigation – Cosmopolis Facility

Labor Attorney Litigation

In March 2008, the state Labor Public Attorney (LPA) filed a public civil action against Eli Lilly do Brasil Limitada (Lilly Brasil) in the Labor Court of Paulinia, State of Sao Paulo, alleging harm to employees and former employees from alleged exposure to soil and groundwater contaminants at a former manufacturing facility in Cosmopolis, operated by the company between 1977 and 2003. In May 2014, the trial court ruled against Lilly Brasil, ordering it to undertake several remedial and compensatory actions, including health coverage for a class of individuals and certain of their children. The trial court's ruling included a liquidated award of 300 million Brazilian reais, which, when adjusted for inflation, is approximately 1.54 billion Brazilian reais (approximately $290 million as of September 30, 2025). In July 2018, the appeals court generally affirmed the trial court's ruling. Lilly Brasil has appealed to the superior labor court (TST) and the TST heard oral argument on the appeal in October 2025.

In July 2019, at the LPA's request, the trial court ordered a freeze of Lilly Brasil’s immovable property in the amount of 500 million Brazilian reais, which was reduced on Lilly's appeal and, when adjusted for inflation, is approximately 160.2 million Brazilian reais (approximately $30 million as of September 30, 2025). Both parties have appealed this order to the TST.

The trial court is currently assessing the status of Lilly Brasil's compliance with the obligations as to the land, and an inspection in the industrial plant occurred in October 2023.

Former Employee Litigation

Various former employees have filed related claims against Lilly Brasil in the trial court. These lawsuits are at various stages in the litigation process.

Pricing Matters

340B Litigation and Investigations

In January 2021, we filed a lawsuit in the U.S. District Court for the Southern District of Indiana against the U.S. Department of Health and Human Services (HHS), the Secretary of HHS, the Health Resources and Services Administration (HRSA), and the Administrator of HRSA. The lawsuit challenges HHS's December 2020 advisory opinion that the 340B program requires drug manufacturers to deliver discounts to all contract pharmacies, as well as HHS's December 2020 administrative dispute resolution (ADR) regulations. It seeks a declaratory judgment that the defendants violated the Administrative Procedure Act (APA) and the U.S. Constitution, a preliminary injunction enjoining implementation of the ADR process and application of the advisory opinion, and other related relief. In March 2021, the court preliminarily enjoined the government's use of the ADR process as to us. In May 2021, we amended the complaint to add claims related to a May 2021 letter from HRSA asserting that Lilly's contract pharmacy policy violated the 340B statute. In October 2021, the court granted in part and denied in part the parties' cross-motions for summary judgment. Both parties appealed to the U.S. Court of Appeals for the Seventh Circuit. The appeal remains pending.

We received a civil investigative subpoena in February 2021 from the Office of the Attorney General for the State of Vermont relating to the sale of pharmaceutical products to Vermont covered entities under the 340B program. We are cooperating with the subpoena.

We have been named in various ADR petitions, filed in 2021, 2023, and 2024, seeking declaratory, injunctive, and/or monetary relief related to the 340B program. In light of the preliminary injunction order described above, these petitions are being held in abeyance as to us.

In July 2021, Mosaic Health, Inc. filed a putative class action lawsuit in the U.S. District Court for the Western District of New York against us, Sanofi-Aventis U.S., LLC (Sanofi), Novo Nordisk Inc. (Novo Nordisk), and AstraZeneca Pharmaceuticals LP (AstraZeneca), alleging antitrust and unjust enrichment claims related to the defendants' 340B programs. In October 2021, an amended complaint added Central Virginia Health Services, Inc. as a plaintiff. In September 2022, the court dismissed the amended complaint for failure to state a claim but allowed the plaintiffs to move for leave to file a second amended complaint. In January 2024, the court denied the plaintiffs' motion for leave to amend and dismissed the case. In August 2025, the U.S. Court of Appeals for the Second Circuit reversed the district court's decision and remanded the case for further proceedings. In September 2025, we filed a petition for panel rehearing and rehearing en banc. In October 2025, the Second Circuit denied our petition for panel rehearing and issued an amended opinion reaching the same result. Our petition for rehearing en banc remains pending.

We have multiple other challenges against HHS and related parties related to interpretations and actions under the 340B program.

Insulin Pricing Litigation

Since 2017, various plaintiffs, including consumers, states and state attorneys general, counties, municipalities, Native American tribes, school districts, wholesalers, third-party payers, and others, have filed lawsuits, including putative class actions, against us, other manufacturers, pharmacy benefit managers, and others, relating to the pricing of insulin medications, and in some cases other diabetes medications, and rebates paid by manufacturers to pharmacy benefit managers. The complaints in the various lawsuits assert a variety of claims, including among others consumer protection, unfair or deceptive trade practices, fraud, false advertising, unjust enrichment, civil conspiracy, racketeering, antitrust, and unfair competition claims. Most cases have been coordinated or consolidated for pretrial proceedings in a multidistrict litigation (MDL) pending in the U.S. District Court for the District of New Jersey. The lawsuits are at various stages in the litigation process.

In the first-filed case, a putative consumer class action, we and the plaintiffs reached a proposed settlement in May 2023. In January 2024, the court denied the plaintiffs' motion for class certification. We and the plaintiffs subsequently terminated our proposed settlement and stipulated that the court's ruling denying class certification applied to Lilly.

The MDL court has issued various case management and other orders, including but not limited to orders establishing separate tracks for state attorney general claims (State AG Track), putative class actions (Class Action Track), and non-class suits by self-funded payers (Self-Funded Payer Track); orders dismissing certain claims; and an order setting a constructive notice date of January 14, 2021 for statute of limitations purposes.

In January 2022, the Michigan attorney general filed a petition in Michigan state court seeking authorization to investigate Lilly for potential violations of the Michigan Consumer Protection Act (MCPA), along with a complaint seeking a declaratory judgment that the state has authority to investigate Lilly's sale of insulin under the MCPA. The court authorized the proposed investigation and the issuance of civil investigative subpoenas. In April 2022, however, the parties entered into a stipulation providing that the state will not issue any civil investigative subpoena to us under the MCPA until the declaratory judgment action is resolved, and in July 2022, the court dismissed the case in its entirety. In June 2023, the Michigan Court of Appeals affirmed the judgment in our favor. In April 2025, the Michigan Supreme Court granted the state's application for leave to appeal and ordered oral argument.

Lilly has entered into settlement agreements with two states to resolve allegations relating to insulin pricing. In particular, in February 2024, after discovery, Lilly entered into a non-monetary settlement with the Minnesota attorney general's office that resolved a lawsuit filed by Minnesota in 2018; and Lilly entered into a similar non-monetary settlement with the New York attorney general’s office in May 2023. These agreements involved no monetary payments and no admission of wrongdoing or liability.

Insulin and Other Pricing Investigations

We have been subject to various investigations and received subpoenas, civil investigative demands, information requests, interrogatories, and other inquiries from various governmental entities related to pricing issues, including the pricing and sale of insulin medications, and in some instances certain other diabetes medications, and/or calculations of average manufacturer price and best price. These include subpoenas and civil investigative demands from the U.S. Department of Justice, the U.S. Federal Trade Commission, and the Colorado, Indiana, Louisiana, Oregon, Texas, Vermont and Washington attorney general offices, as well as information requests from the California, Florida, Hawaii, Mississippi, New Mexico, Nevada, and Washington D.C. attorney general offices.

To the extent the foregoing governmental entities have not filed lawsuits, we are cooperating with the various investigations, subpoenas, and inquiries.

Average Manufacturer Price Litigation

In November 2014, a relator filed a *qui tam* action in the U.S. District Court for the Northern District of Illinois against us and Takeda Pharmaceuticals America, Inc. The relator's complaint alleges that the defendants should have treated certain credits from distributors as retroactive price increases and included such increases in calculating average manufacturer prices. In August 2022, following a trial, the jury returned a verdict in favor of the relator. In September 2025, the U.S. Court of Appeals for the Seventh Circuit affirmed and we recognized a charge related to the matter. In October 2025, we filed a petition for rehearing en banc.

Other Matters

Actos Litigation

We, along with Takeda Chemical Industries, Ltd. and Takeda affiliates (collectively, Takeda), are named in a third-party payer class action in the U.S. District Court for the Central District of California. The plaintiffs allege that bladder cancer risk was concealed from them and claim that as a result they and a proposed class of third-party payers are entitled to recover money paid for Actos prescriptions. Our agreement with Takeda calls for Takeda to defend and indemnify us against losses and expenses with respect to U.S. litigation arising out of the manufacture, use, or sale of Actos and other related expenses in accordance with the terms of the agreement. In May 2023, the district court granted class certification. In June 2025, the U.S. Court of Appeals for the Ninth Circuit denied our appeal of the class certification order, and in August 2025 it denied our petition for rehearing en banc.

Mounjaro, Trulicity, and Zepbound Product Liability Litigation

Since August 2023, various plaintiffs have filed lawsuits against us, Novo Nordisk A/S (Novo), and other related Novo entities, alleging injuries following purported use of incretin medicines, including Mounjaro, Trulicity, and Zepbound. The complaints assert a variety of claims and generally seek damages, and/or other relief. Most of these lawsuits have been coordinated or consolidated for pretrial proceedings in a federal MDL pending in the U.S. District Court for the Eastern District of Pennsylvania. There are also cases pending in various other federal and state courts. In addition to the cases in the United States, there are two class action petitions in Israel.

Branchburg Manufacturing Facility

In May 2021, we received a subpoena from the U.S. Department of Justice requesting the production of certain documents relating to our manufacturing site in Branchburg, New Jersey. We have cooperated with the subpoena.

Health Choice Alliance

In October 2019, a relator filed a *qui tam* lawsuit against us in Texas state court asserting claims under the Texas Medicaid Fraud Prevention Act (TMFPA) based on allegations about certain patient support programs related to three of our products. The relator sought to recover the value of payments by the Texas Medicaid Program for these products, as well as civil penalties and other relief. In August 2025, the relator purported to dismiss the first lawsuit and filed a second lawsuit in a different Texas state court. We are opposing the relator's purported dismissal of the first lawsuit. The second lawsuit purports to add the State of Texas as a party and asserts claims under the TMFPA based on allegations about patient support programs related to fifteen of our products.

Research Corporation Technologies, Inc.

In April 2016, Research Corporation Technologies, Inc. (RCT) filed a lawsuit against us in the U.S. District Court for the District of Arizona asserting damages claims for breach of contract, unjust enrichment, and conversion related to processes used to manufacture certain products, including Humalog and Humulin. In October 2021, the court issued a summary judgment decision in favor of RCT on certain issues, including with respect to a disputed royalty. In July 2024, we reached a confidential agreement with RCT that requires different payments based on various litigation outcomes as determined on appeal. The settlement agreement is not an admission of liability or fault and is subject to conditions. Pursuant to the agreement, the court entered final judgment, Lilly filed a notice of appeal to the U.S. Court of Appeals for the Ninth Circuit, and Lilly made an initial payment under the agreement. Lilly's appeal remains pending. The remaining amount payable under the agreement, if any, should not have a material impact on our financial position, liquidity or results of operations.

Note 11: Other Comprehensive Income (Loss)

The following tables summarize the activity related to each component of other comprehensive income (loss) during the three months ended September 30, 2025 and 2024:

(Amounts presented net of taxes)	**Foreign Currency Translation Gains (Losses)**	**Net Unrealized Gains (Losses) on Available-For-Sale Securities**	**Retirement Benefit Plans**	**Net Unrealized Gains (Losses) on Cash Flow Hedges**	**Accumulated Other Comprehensive Loss**
Balance at July 1, 2025	**$ (1,757.8)**	**$ (21.3)**	**$ (2,193.4)**	**$ 256.5**	**$ (3,716.0)**
Other comprehensive income (loss) before reclassifications	**466.0**	**4.1**	**9.6**	**8.5**	**488.2**
Net amount reclassified from accumulated other comprehensive loss	**—**	**11.1**	**10.8**	**(0.4)**	**21.5**
Net other comprehensive income (loss)	**466.0**	**15.2**	**20.4**	**8.1**	**509.7**
Balance at September 30, 2025	**$ (1,291.8)**	**$ (6.1)**	**$ (2,173.0)**	**$ 264.6**	**$ (3,206.3)**

(Amounts presented net of taxes)	**Foreign Currency Translation Gains (Losses)**	**Net Unrealized Gains (Losses) on Available-For-Sale Securities**	**Retirement Benefit Plans**	**Net Unrealized Gains (Losses) on Cash Flow Hedges**	**Accumulated Other Comprehensive Loss**
Balance at July 1, 2024	$ (2,001.6)	$ (32.6)	$ (2,633.6)	$ 289.3	$ (4,378.5)
Other comprehensive income (loss) before reclassifications	117.9	15.9	(28.9)	(25.0)	79.9
Net amount reclassified from accumulated other comprehensive loss	—	—	23.7	0.1	23.8
Net other comprehensive income (loss)	117.9	15.9	(5.2)	(24.9)	103.7
Balance at September 30, 2024	$ (1,883.7)	$ (16.7)	$ (2,638.8)	$ 264.4	$ (4,274.8)

The following tables summarize the activity related to each component of other comprehensive income (loss) during the nine months ended September 30, 2025 and 2024:

(Amounts presented net of taxes)	Foreign Currency Translation Gains (Losses)	Net Unrealized Gains (Losses) on Available-For-Sale Securities	Retirement Benefit Plans	Net Unrealized Gains (Losses) on Cash Flow Hedges	Accumulated Other Comprehensive Loss
Balance at January 1, 2025	**$ (2,389.6)**	**$ (31.7)**	**$ (2,178.7)**	**$ 278.1**	**$ (4,321.9)**
Other comprehensive income (loss) before reclassifications	**1,062.3**	**13.9**	**(38.0)**	**(14.2)**	**1,024.0**
Net amount reclassified from accumulated other comprehensive loss	**35.5**	**11.7**	**43.7**	**0.7**	**91.6**
Net other comprehensive income (loss)	**1,097.8**	**25.6**	**5.7**	**(13.5)**	**1,115.6**
Balance at September 30, 2025	**$ (1,291.8)**	**$ (6.1)**	**$ (2,173.0)**	**$ 264.6**	**$ (3,206.3)**

(Amounts presented net of taxes)	Foreign Currency Translation Gains (Losses)	Net Unrealized Gains (Losses) on Available-For-Sale Securities	Retirement Benefit Plans	Net Unrealized Gains (Losses) on Cash Flow Hedges	Accumulated Other Comprehensive Loss
Balance at January 1, 2024	$ (1,819.0)	$ (26.2)	$ (2,697.3)	$ 215.5	$ (4,327.0)
Other comprehensive income (loss) before reclassifications	(74.9)	9.3	(12.1)	48.5	(29.2)
Net amount reclassified from accumulated other comprehensive loss	10.2	0.2	70.6	0.4	81.4
Net other comprehensive income (loss)	(64.7)	9.5	58.5	48.9	52.2
Balance at September 30, 2024	$ (1,883.7)	$ (16.7)	$ (2,638.8)	$ 264.4	$ (4,274.8)

Note 12: Other–Net, (Income) Expense

Other–net, (income) expense consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Interest expense	**$ 179.6**	$ 192.7	**$ 672.4**	$ 555.9
Interest income	**(65.0)**	(47.8)	**(153.3)**	(130.9)
Net investment (gains) losses on equity securities (Note 7)	**(46.9)**	(112.4)	**(14.1)**	29.5
Retirement benefit plans	**(114.0)**	(115.4)	**(326.1)**	(345.9)
Other (income) expense	**179.4**	20.9	**283.8**	(0.1)
Other–net, (income) expense	**$ 133.1**	$ (62.0)	**$ 462.7**	$ 108.5

Note 13: Segment Information

We operate as a single reportable segment engaged in the discovery, development, manufacturing, marketing, and sales of pharmaceutical products worldwide. A global research and development organization and a supply chain organization are responsible for the discovery, development, manufacturing, and supply of our products. Our commercial organizations market, distribute, and sell the products. The business is also supported by global corporate staff functions. Our determination that we operate as a single segment is consistent with the nature of our operations and the financial information regularly reviewed by the chief executive officer, in his capacity as the chief operating decision maker (CODM), for the purposes of evaluating performance, allocating resources, setting incentive compensation targets, and planning and forecasting for future periods.

Our purpose is to unite caring with discovery to create medicines that make life better for people around the world. Our long-term success is significantly dependent on our ability to research and develop innovative medicines. The CODM uses consolidated net income to assess performance of our company, ensuring that we are investing in future research and development while efficiently delivering products to patients. The CODM allocates research and development resources based upon several factors, including the likelihood of technical success, unmet medical needs, and the viability of commercial success. A significant component of the CODM's decision-making process is to ensure a balanced investment in our research and development portfolio to drive near-term success and sustain for the long-term.

The following table summarizes our segment revenue, significant segment expenses, and segment profit:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue	**$ 17,600.8**	$ 11,439.1	**$ 45,887.0**	$ 31,509.9
Less:				
Cost of sales	**3,008.3**	2,170.8	**7,680.3**	6,014.5
Early-stage research and development[1]	**1,249.6**	995.3	**3,395.6**	2,872.6
Late-stage research and development[1]	**2,216.1**	1,738.8	**6,139.9**	5,095.5
Marketing, selling, and administrative	**2,740.7**	2,099.8	**7,962.6**	6,169.3
Acquired in-process research and development	**655.7**	2,826.4	**2,381.2**	3,091.2
Other segment items[2]	**2,147.9**	637.7	**4,325.1**	2,086.6
Net income	**$ 5,582.5**	$ 970.3	**$ 14,002.3**	$ 6,180.2

[1] Early-stage research and development primarily includes costs incurred from discovery through Phase 2 clinical trials. Late-stage research and development primarily includes costs incurred from Phase 3 clinical trials.

[2] Other segment items primarily include income taxes and asset impairment, restructuring, and other special charges.

The following tables summarize additional segment information:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Interest expense	**$ 179.6**	$ 192.7	**$ 672.4**	$ 555.9
Interest income	**65.0**	47.8	**153.3**	130.9
Depreciation and amortization	**470.0**	466.8	**1,411.3**	1,281.8
Asset impairment, restructuring, and other special charges	**364.9**	81.6	**399.9**	516.6
Earnings (loss) in equity method investments	**45.4**	26.0	**(29.4)**	65.6
Income taxes	**1,649.9**	618.1	**3,462.5**	1,461.5
Expenditures for long-lived assets[1]	**2,319.7**	1,465.6	**5,821.4**	3,926.5

[1] Includes expenditures for property and equipment and computer software costs.

	September 30, 2025	December 31, 2024
Total assets	**$ 114,935.4**	$ 78,714.9
Equity method investments	**1,222.2**	1,142.7

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

(Tables present dollars in millions, except per-share data, and numbers may not add due to rounding)

General

Management's discussion and analysis of results of operations and financial condition is intended to assist the reader in understanding and assessing significant changes and trends related to our results of operations and financial position. This discussion and analysis should be read in conjunction with the consolidated condensed financial statements and accompanying footnotes in Part I, Item 1 of this Quarterly Report on Form 10-Q. Certain statements in this Part I, Item 2 of this Quarterly Report on Form 10-Q constitute forward-looking statements. Various risks and uncertainties, including those discussed in "Forward-Looking Statements" in this Quarterly Report on Form 10-Q and "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024, may cause our actual results, financial position, and cash generated from operations to differ from these forward-looking statements.

EXECUTIVE OVERVIEW

This section provides an overview of our financial results, updates to our clinical development pipeline, and other matters affecting our company and industry.

Financial Results

The following table summarizes certain financial information:

	Three Months Ended September 30,		Percent Change	Nine Months Ended September 30,		Percent Change
	2025	2024		2025	2024	
Revenue	**$ 17,600.8**	$ 11,439.1	54	**$ 45,887.0**	$ 31,509.9	46
Net income	**5,582.5**	970.3	NM	**14,002.3**	6,180.2	127
Earnings per share - diluted	**6.21**	1.07	NM	**15.56**	6.83	128

NM- not meaningful

Revenue increased for the three and nine months ended September 30, 2025, driven by increased volume, partially offset by lower realized prices. The increased volume and lower realized prices during the three and nine months ended September 30, 2025 were primarily driven by Mounjaro and Zepbound.

Net income and earnings per share for the three and nine months ended September 30, 2025 increased primarily due to higher gross margin, partially offset by increased marketing, selling, and administrative expenses and research and development expenses.

See "Results of Operations" for additional information.

Clinical Development Pipeline Updates

Our long-term success depends on our ability to continually discover or acquire, develop, and commercialize innovative new medicines. See "Management's Discussion and Analysis of Results of Operations and Financial Condition—Executive Overview—Clinical Development Pipeline" in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024 for select new molecular entities (NMEs) and new indication line extension (NILEX) products in Phase 2 or Phase 3 clinical trials or that were submitted for regulatory review or received regulatory approval in the U.S., European Union (EU), or Japan. The following reflects certain developments since our Annual Report on Form 10-K for the year ended December 31, 2024:

Compound	Development
Tirzepatide	Submitted our application for tirzepatide for pediatric and adolescent type 2 diabetes to the U.S. Food and Drug Administration (FDA) and European Commission (EC) for approval.
	Announced that a Phase 3 trial for tirzepatide for cardiovascular outcomes in type 2 diabetes met the primary endpoint.
	A Phase 3 trial was initiated for tirzepatide for type 1 diabetes.
	Withdrew our U.S. application for tirzepatide for heart failure with preserved ejection fraction.
Insulin Efsitora Alfa	Submitted our application for insulin efsitora alfa for type 2 diabetes to the FDA and EC for approval.
Muvalaplin	A Phase 3 trial was initiated for muvalaplin for atherosclerotic cardiovascular disease.
Orforglipron	Announced that Phase 3 trials for orforglipron for obesity met their primary and all key secondary endpoints.
	Announced that Phase 3 trials for orforglipron for type 2 diabetes met their primary and all key secondary endpoints.
	A Phase 3 trial was initiated for orforglipron for hypertension and overweight or obesity.
	A Phase 3 trial was initiated for orforglipron for osteoarthritis pain of the knee and overweight or obesity.
	A Phase 3 trial was initiated for orforglipron for stress urinary incontinence and overweight or obesity.
Retatrutide	A Phase 3 trial was initiated for retatrutide for chronic low back pain and overweight or obesity.
Mirikizumab (Omvoh)	Japan's Ministry of Health, Labour and Welfare approved mirikizumab for treatment of Crohn's disease.
Donanemab (Kisunla)	The EC approved donanemab for the treatment of early symptomatic Alzheimer's disease.
Imlunestrant (Inluriyo)	The FDA approved imlunestrant for treatment of ER+, HER2-, ESR1-mutated advanced or metastatic breast cancer.
Pirtobrutinib (Jaypirca)	The EC approved pirtobrutinib for treatment of chronic lymphocytic leukemia.
	Announced that Phase 3 trials for pirtobrutinib for chronic lymphocytic leukemia or small lymphocytic leukemia met their primary endpoints.
Olomorasib[1]	A Phase 3 trial was initiated for olomorasib for resected adjuvant non-small cell lung cancer.
	A Phase 3 trial was initiated for olomorasib for unresected adjuvant non-small cell lung cancer.

[1] The FDA granted Breakthrough Therapy designation for the treatment of certain newly diagnosed metastatic KRAS G12C-mutant lung cancers. Breakthrough Therapy designation is designed to expedite the development and review of potential medicines that are intended to treat a serious condition when preliminary clinical evidence indicates that the treatment may demonstrate substantial improvement on a clinically significant endpoint(s) over already available therapies.

Other Matters

Trends Affecting Pharmaceutical Pricing, Reimbursement, and Access and Certain Other Regulatory Developments

Global concern over access to, and affordability of, pharmaceutical products continues to drive debate and action, as well as cost containment efforts by governmental authorities and scrutiny of pricing and access disparities. Cost containment measures include the use of mandated discounts, price reporting requirements, mandated reference prices, restrictive formularies, changes to available intellectual property protections, as well as other efforts.

Reforms, initiatives, and other actions, including those that may stem from political initiatives, periods of uneven economic growth or downturns, or as a result of inflation or deflation, trade and other global disputes and interruptions including related to tariffs, trade protection measures, and similar restrictions, the emergence or escalation of, and responses to, international tension and conflicts, or government budgeting priorities, are expected to continue to result in added pressure on cost, pricing, reimbursement, and access for our products.

For example, in May 2025, the U.S. presidential administration issued an executive order intended, in part, to encourage or impose the use of most-favored-nation pricing to tie U.S. prescription drug prices with prices in selected comparably developed nations. In July 2025, we and other pharmaceutical companies received letters from the U.S. presidential administration reiterating certain drug pricing objectives. We and other pharmaceutical manufacturers face uncertainty on the implementation of these objectives, which could result in reduced prices and reimbursement for certain of our or competing products and may significantly impact our business and results of operations. Additionally, in July 2025, the OBBBA was enacted into law. In addition to tax impacts, the OBBBA implements spending cuts to certain federal healthcare programs, including Medicaid and the Affordable Care Act.

The Inflation Reduction Act of 2022 (IRA) requires HHS to effectively set prices for certain single-source drugs and biologics reimbursed under Medicare Part B and Part D. Currently, these government prices generally apply beginning at nine years (for medicines approved under a New Drug Application) or thirteen years (for medicines approved under a Biologics License Application) following FDA approval or licensure for the molecule. In August 2023, HHS selected Jardiance, which is part of our collaboration with Boehringer Ingelheim, as one of the first ten medicines subject to government-set prices effective in 2026 and we expect additional of our significant products will be selected in future years. The IRA has, and will continue to, meaningfully influence our business strategies and those of our competitors and could significantly impact our business and consolidated results of operations.

Other policies, regulations, legislation, or enforcement, including those proposed or pursued by lawmakers, regulators, and other authorities in the U.S. and worldwide, have and may continue to adversely impact our business and consolidated results of operations. For example, the U.S. and other countries have recently imposed or reached alignment on new tariffs. In some cases, imposed tariffs have been paused but may come into effect quickly and unpredictably. While pharmaceuticals are exempt from certain of these tariffs, such exemptions may be terminated or may not apply to any future tariffs. The precise impact of tariffs, trade protection measures, and other restrictions depend on their ultimate scope, timing, and other factors. If enacted, additional restrictions could result in supply disruptions or delays, further increase costs, or otherwise have a negative impact on our business. Given the nature of pharmaceutical regulation and commercialization, we may not be able to share the burden of increased costs from tariffs and related impacts to any meaningful degree.

Private payers and pharmacy benefit managers in the U.S. continue to significantly impact the market for pharmaceuticals through negotiation of access, manufacturer price or rebate concessions and pharmacy reimbursement rates. Restrictive or unfavorable pricing, coverage, or reimbursement determinations for our medicines or product candidates by governments, regulatory agencies, courts, or private actors have and may continue to adversely impact our business and consolidated results of operations. In addition, we are engaged in litigation and investigations related to the 340B program, access to insulin, pricing, product safety, and other matters that, if resolved adversely to us, could negatively impact our business and consolidated results of operations. It is not currently possible to predict the overall potential adverse impact to us or the general pharmaceutical industry of continued cost containment efforts worldwide.

In addition, regulatory issues concerning compliance with current Good Manufacturing Practices, quality assurance, safety signals, evolving standards, and increased scrutiny around excipients and potential impurities such as nitrosamines, and similar regulations and standards (and comparable foreign regulations and standards) for our products in some cases lead to regulatory and legal actions, product recalls and seizures, fines and penalties, interruption of production leading to product shortages, import bans or denials of import certifications, inability to realize the benefit of capital expenditures, or delays or denials in new product approvals, line extensions or supplemental approvals of current products pending resolution of the issues, or other negative impacts, any of which result in reputational harm or adversely affect our business.

Incretin Medicines

At various times during 2024, demand for our incretin medicines exceeded production. Tirzepatide supply currently exceeds demand in the U.S. Demand in launched markets remains dynamic, and increases or changes in demand, by dose or overall, as well as the complex supply chain, may result in periodic unavailability of certain presentations and dose levels at certain locations even when total tirzepatide supply can meet demand. Production increases and delivery presentation initiatives are ongoing, and additional capacity is expected to be operational over the next several years.

We continue to see the production, marketing, and sale of counterfeit, misbranded, adulterated, and compounded incretins. These practices may impact patient safety and undermine regulatory drug approval processes. While the FDA has confirmed that the previous shortage of tirzepatide has ended and that compounding pharmacies are required to cease mass production, we cannot guarantee adequate regulation or compliance. Lilly will continue to consider all options, including filing lawsuits where appropriate, to address unlawful practices and the patient safety risks of unapproved, untested, and manipulated drugs.

Tax Matters

We are subject to income taxes and various other taxes in the U.S. and in many foreign jurisdictions; therefore, changes in both domestic and international tax laws or regulations have affected and may affect our effective tax rate, results of operations, and cash flows. The U.S. and countries around the world are actively proposing and enacting tax law changes. Further, actions taken with respect to tax-related matters by associations such as the Organisation for Economic Co-operation and Development (OECD) and the European Commission could influence tax laws in countries in which we operate. Tax authorities in the U.S. and other jurisdictions in which we do business routinely examine our tax returns and are expected to increase their scrutiny of cross-border tax issues. Changes to existing U.S. and foreign tax laws and increased scrutiny by tax authorities in the U.S. and other jurisdictions could have a material adverse impact on our future consolidated results of operations and cash flows.

In July 2025, the OBBBA, which implemented certain U.S. tax law changes, was enacted into law. The OBBBA modified and made permanent several provisions of the Tax Cuts and Jobs Act, including reductions in scheduled increases for the rate of taxation of foreign income, immediate deductibility of U.S. research and development expenses, and reinstatement of 100% bonus depreciation for capital assets. For the three months ended September 30, 2025, we recorded income tax expense of $350.3 million related to adjusting our income tax provision for prior periods of 2025 and remeasuring our deferred tax assets and liabilities in connection with the enactment of OBBBA.

Effective January 1, 2024, several EU and non-EU countries enacted legislation (known as "Pillar Two") that provided for a minimum level of taxation of multinational companies. The increase to income tax expense as a result of the global minimum tax is not expected to be material in current and future years. Our assessment of the impact for 2025 and subsequent years could be affected by legislative guidance and future enactment of additional provisions.

Acquisitions

We invest in external research and technologies and manufacturing capabilities that we believe complement and strengthen our own efforts. These investments can take many forms, including acquisitions, collaborations, investments, and licensing arrangements. We view our business development activity as a way to enhance or refine our pipeline and strengthen our business.

See Note 3 to the consolidated condensed financial statements for further discussion regarding our recent acquisitions.

Continued regulatory focus on business combinations in our industry, including by the Federal Trade Commission and competition authorities in Europe and other jurisdictions, could continue to delay, jeopardize, or increase the costs of our business development activities and may negatively impact our consolidated financial position or results of operations.

Foreign Currency Exchange Rates

As a global company, we face foreign currency risk exposure from fluctuating currency exchange rates, primarily the U.S. dollar against the euro, Japanese yen, Chinese yuan and British pound sterling. While we seek to manage a portion of these exposures through hedging and other risk management techniques, significant fluctuations in currency rates can have a material impact, either positive or negative, on our consolidated results of operations in any given period. There is uncertainty in the future movements in foreign currency exchange rates, and fluctuations in these rates have and could adversely impact our consolidated results of operations and cash flows.

Other Factors

Other factors have had, and may continue to have, an impact on our consolidated results of operations. These factors include cost and wage inflation, supply chain and labor market complexities, international tension and conflicts, uneven economic growth, downturns or uncertainty, risks related to engaging in business globally, including legislation and regulatory action in or regarding foreign jurisdictions, and fluctuations due to channel dynamics or demand for certain products.

See "Business" in Part 1, Item 1 and "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024 and Note 10 to the consolidated condensed financial statements for additional information and risks and uncertainties that could impact our business and operations, including the matters described within this Executive Overview.

RESULTS OF OPERATIONS

Revenue

The following table summarizes our revenue activity by region:

	Three Months Ended September 30,		Percent Change	Nine Months Ended September 30,		Percent Change
	2025	2024		2025	2024	
U.S.	**$ 11,300.0**	$ 7,813.6	45	**$ 30,603.6**	$ 21,343.2	43
Outside U.S.	**6,300.8**	3,625.5	74	**15,283.4**	10,166.7	50
Revenue	**$ 17,600.8**	$ 11,439.1	54	**$ 45,887.0**	$ 31,509.9	46

The following are components of the change in revenue compared with the prior year:

	Three Months Ended September 30, 2025 vs. 2024			Nine Months Ended September 30, 2025 vs. 2024		
	U.S.	Outside U.S.	Consolidated	U.S.	Outside U.S.	Consolidated
Volume	60 %	66 %	62 %	54 %	49 %	52 %
Price	(15)	3	(10)	(11)	—	(7)
Foreign exchange rates	—	6	2	—	1	—
Percent change	45 %	74 %	54 %	43 %	50 %	46 %

In the U.S. for the three and nine months ended September 30, 2025, the volume increase and the lower realized prices were driven by Zepbound and Mounjaro.

Outside the U.S. for the three and nine months ended September 30, 2025, the volume increase was primarily driven by Mounjaro. The volume increase outside the U.S. for the three and nine months ended September 30, 2025 was also driven by $200.0 million and $570.0 million, respectively, in one-time benefits for Jardiance. See Note 4 to the consolidated condensed financial statements for additional information.

The following table summarizes our revenue, including net product revenue and collaboration and other revenue, by product for the three months ended September 30, 2025 and 2024:

	Three Months Ended September 30,				
	2025			2024	
	U.S.	Outside U.S.	Total	Total	Percent Change
Mounjaro	**$ 3,550.1**	**$ 2,965.0**	**$ 6,515.1**	$ 3,112.7	109
Zepbound	**3,568.3**	**19.8**	**3,588.1**	1,257.8	185
Verzenio	**880.3**	**589.8**	**1,470.2**	1,369.3	7
Other products	**3,301.3**	**2,726.2**	**6,027.4**	5,699.3	6
Revenue	**$ 11,300.0**	**$ 6,300.8**	**$ 17,600.8**	$ 11,439.1	54

The following table summarizes our revenue, including net product revenue and collaboration and other revenue, by product for the nine months ended September 30, 2025 and 2024:

	Nine Months Ended September 30,				
	2025			2024	
	U.S.	Outside U.S.	Total	Total	Percent Change
Mounjaro	**$ 9,507.8**	**$ 6,048.0**	**$ 15,555.8**	$ 8,010.0	94
Zepbound	**9,253.6**	**27.7**	**9,281.3**	3,018.4	NM
Verzenio	**2,467.0**	**1,651.4**	**4,118.3**	3,751.5	10
Other products	**9,375.2**	**7,556.3**	**16,931.6**	16,730.0	1
Revenue	**$ 30,603.6**	**$ 15,283.4**	**$ 45,887.0**	$ 31,509.9	46

NM- not meaningful

Revenue of Mounjaro increased 49 percent and 50 percent in the U.S. during the three and nine months ended September 30, 2025, respectively, reflecting strong demand, partially offset by lower realized prices. Revenue outside the U.S. during the three and nine months ended September 30, 2025 was $2.97 billion and $6.05 billion, respectively, compared to $728.0 million and $1.69 billion during the three and nine months ended September 30, 2024, respectively, primarily driven by volume growth.

Revenue of Zepbound in the U.S. during the three and nine months ended September 30, 2025 was $3.57 billion and $9.25 billion, respectively, compared to $1.26 billion and $3.02 billion during the three and nine months ended September 30, 2024, respectively, primarily driven by increased demand, partially offset by lower realized prices.

Revenue of Verzenio was relatively flat in the U.S. during the three months ended September 30, 2025, reflecting an increase in volume which was offset by lower realized prices. Revenue of Verzenio increased 4 percent in the U.S. during the nine months ended September 30, 2025 reflecting an increase in volume, partially offset by lower realized prices. Revenue outside the U.S. increased 20 percent during the three and nine months ended September 30, 2025, primarily driven by volume growth and, to a lesser extent, favorable impact on foreign exchange rates.

Gross Margin, Costs, and Expenses

The following table summarizes our gross margin, costs, and expenses:

	Three Months Ended September 30,		Percent Change	Nine Months Ended September 30,		Percent Change
	2025	2024		2025	2024	
Gross margin	**$ 14,592.5**	$ 9,268.3	57	**$ 38,206.7**	$ 25,495.4	50
Gross margin as a percent of revenue	**82.9 %**	81.0 %		**83.3 %**	80.9 %	
Research and development	**$ 3,465.7**	$ 2,734.1	27	**$ 9,535.5**	$ 7,968.1	20
Marketing, selling, and administrative	**2,740.7**	2,099.8	31	**7,962.6**	6,169.3	29
Acquired IPR&D	**655.7**	2,826.4	(77)	**2,381.2**	3,091.2	(23)
Asset impairment, restructuring, and other special charges	**364.9**	81.6	NM	**399.9**	516.6	(23)
Other–net, (income) expense	**133.1**	(62.0)	NM	**462.7**	108.5	NM
Income taxes	**1,649.9**	618.1	167	**3,462.5**	1,461.5	137
Effective tax rate	**22.8 %**	38.9 %		**19.8 %**	19.1 %	

NM- not meaningful

Gross margin as a percent of revenue for the three months ended September 30, 2025 increased 1.9 percentage points, primarily driven by favorable product mix, partially offset by lower realized prices. Gross margin as a percent of revenue for the nine months ended September 30, 2025 increased 2.4 percentage points, primarily driven by favorable product mix and improved cost of production, partially offset by lower realized prices.

Research and development expenses increased 27 percent and 20 percent for the three and nine months ended September 30, 2025, respectively, driven by continued investments in our early and late-stage portfolio.

Marketing, selling, and administrative expenses increased 31 percent and 29 percent for the three and nine months ended September 30, 2025, respectively, primarily driven by promotional efforts supporting ongoing and future launches.

Acquired IPR&D charges for the three months ended September 30, 2025 were primarily related to the acquisition of SiteOne. Acquired IPR&D charges for the nine months ended September 30, 2025 were primarily related to the acquisitions of Scorpion's PI3Kα inhibitor program STX-478 and of SiteOne. Acquired IPR&D charges for the three and nine months ended September 30, 2024 were primarily related to the acquisition of Morphic. See Note 3 to the consolidated condensed financial statements for additional information.

Asset impairment, restructuring, and other special charges for the three and nine months ended September 30, 2025 were primarily related to a litigation charge, as well as acquisition and integration costs associated with the closing of our acquisition of Verve. Asset impairment, restructuring, and other special charges for the nine months ended September 30, 2024 were primarily related to a litigation charge. See Notes 5 and 10 to the consolidated condensed financial statements for additional information.

The effective tax rates were 22.8 percent and 19.8 percent for the three and nine months ended September 30, 2025, respectively, compared to 38.9 percent and 19.1 percent for the three and nine months ended September 30, 2024, respectively, primarily driven by unfavorable tax impacts of non-deductible acquired IPR&D charges, with a larger impact occurring in 2024. As a result of the OBBBA, the effective tax rates for the three and nine months ended September 30, 2025 were unfavorably impacted by incremental tax expense recognized in these periods. See Note 8 to the consolidated condensed financial statements for additional information.

For additional information for other-net, (income) expense, see Note 12 to the consolidated condensed financial statements.

FINANCIAL CONDITION AND LIQUIDITY

We believe our available cash and cash equivalents, together with our ability to generate operating cash flow and our access to short-term and long-term borrowings, are sufficient to fund our existing and planned capital requirements. For a discussion of our capital requirements, see "Management's Discussion and Analysis of Results of Operations and Financial Condition" in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024.

We are making investments in global facilities to manufacture existing and future products. These investments, and other capital investments that support our operations, have increased our capital expenditures and will result in meaningfully higher capital expenditures over the next several years.

As we expand our manufacturing capacity in order to meet existing and expected demand of our medicines, we have entered, and expect to continue to enter, into various agreements for contract manufacturing and for supply of materials. Executed agreements related to our medicines in development could, under certain circumstances, require us to pay up to approximately $9 billion if we do not purchase specified amounts of goods or services over the durations of the agreements, which are generally up to 8 years.

Cash and cash equivalents increased to $9.79 billion as of September 30, 2025, compared with $3.27 billion as of December 31, 2024. Refer to the consolidated condensed statements of cash flows for additional information on the significant sources and uses of cash for the nine months ended September 30, 2025 and 2024.

In addition to our cash and cash equivalents, we held total investments of $2.93 billion and $3.37 billion as of September 30, 2025 and December 31, 2024, respectively. See Note 7 to the consolidated condensed financial statements for additional information.

During the nine months ended September 30, 2025, we paid $2.58 billion for acquired IPR&D primarily related to the acquisitions of Scorpion's PI3Kα inhibitor program STX-478 and of SiteOne. See Note 3 to the consolidated condensed financial statements for additional information.

As of September 30, 2025, total debt was $42.51 billion, an increase of $8.86 billion compared with $33.64 billion as of December 31, 2024. In August 2025, we issued $6.00 billion of fixed-rate notes and $750.0 million of floating-rate notes and have used, or expect to use, the net cash proceeds from this offering for general business purposes, including the repayment of commercial paper. In February 2025, we issued $6.50 billion of fixed-rate notes and used the net cash proceeds to fund the acquisition of Scorpion's PI3Kα inhibitor program STX-478 and related fees and expenses and for general business purposes, including the repayment of commercial paper. See Note 7 to the consolidated condensed financial statements for additional information.

As of September 30, 2025, we had a total of $10.45 billion of unused committed bank credit facilities, $10.00 billion of which is available to support our commercial paper program. See Note 7 to the consolidated condensed financial statements for additional information. We believe that amounts accessible through existing commercial paper markets should be adequate to fund short-term borrowing needs.

During the nine months ended September 30, 2025, we repurchased $2.60 billion of shares under our $15.00 billion share repurchase program authorized in December 2024. As of September 30, 2025, we had $12.40 billion remaining under this program.

During the nine months ended September 30, 2025, we paid dividends of $4.04 billion, or $4.50 per share, to our shareholders. In October 2025, we declared a dividend for the fourth quarter of 2025 of $1.50 per share of outstanding common stock. The dividend of approximately $1.34 billion is payable on December 10, 2025 to shareholders of record at the close of business on November 14, 2025.

Both domestically and abroad, we monitor the potential impacts of the economic environment and international tension and conflicts; the creditworthiness of our wholesalers and other customers, including foreign government-backed agencies and suppliers; the uncertain impact of healthcare legislation; various international government funding levels; and fluctuations in interest rates, foreign currency exchange rates (see "Executive Overview—Other Matters—Foreign Currency Exchange Rates"), and fair values of equity securities.

Our foreign currency risk exposure results from fluctuating currency exchange rates, primarily the U.S. dollar against the euro, Japanese yen, Chinese yuan and British pound sterling. We in some cases enter into foreign currency forward or option derivative contracts to reduce the effect of fluctuating currency exchange rates. As of September 30, 2025 and December 31, 2024, a hypothetical 10 percent change in currency exchange rates (primarily against the U.S. dollar) applied to the fair values of our outstanding foreign currency derivative contracts and the underlying assets and liabilities would not have a material impact on earnings, cash flows, or financial position over a one-year period.

CRITICAL ACCOUNTING ESTIMATES

For a discussion of our critical accounting estimates, refer to "Management's Discussion and Analysis of Results of Operations and Financial Condition" in Part II, Item 7 and the notes to our consolidated financial statements in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2024. See also Note 1 to the consolidated condensed financial statements. There have been no material changes to our critical accounting estimates since our Annual Report on Form 10-K for the year ended December 31, 2024.

AVAILABLE INFORMATION ON OUR WEBSITE

We make available through our company website, free of charge, our company filings with the Securities and Exchange Commission (SEC) as soon as reasonably practicable after we electronically file them with, or furnish them to, the SEC. The reports we make available include annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, registration statements, and any amendments to those documents.

The website link to our SEC filings is **investor.lilly.com/financial-information/sec-filings**.

We routinely post important information for investors in the “Investors” section of our website, www.lilly.com. We may use our website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor the “Investors” section of our website, in addition to following our press releases, filings with the SEC, public conference calls, presentations, and webcasts. We and our executive officers may also use social media channels to communicate with investors and the public about our business, products and other matters, and those communications could be deemed to be material information. The information contained on, or that may be accessed through, our website or our or our executive officers' social media channels, is not incorporated by reference into, and is not a part of, this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For a discussion of our market risk, see “Quantitative and Qualitative Disclosures About Market Risk” in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 4. Controls and Procedures

(a) *Evaluation of Disclosure Controls and Procedures*. Under applicable SEC regulations, management of a reporting company, with the participation of the principal executive officer and principal financial officer, must periodically evaluate the company's "disclosure controls and procedures," which are defined generally as controls and other procedures of a reporting company designed to ensure that information required to be disclosed by the reporting company in its periodic reports filed with the SEC (such as this Quarterly Report on Form 10-Q) is recorded, processed, summarized, and reported on a timely basis.

Our management, with the participation of David Ricks, president and chief executive officer, and Lucas Montarce, executive vice president and chief financial officer, evaluated our disclosure controls and procedures (as such terms are defined in our Annual Report on Form 10-K for the year ended December 31, 2024) as of September 30, 2025, and concluded that they were effective.

(b) *Changes in Internal Controls*. During the third quarter of 2025, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. Other Information

Item 1. Legal Proceedings

We are a party to various currently pending legal actions, government investigations, and environmental proceedings. See Note 10 to the consolidated condensed financial statements for information on various legal proceedings.

This Item should be read in conjunction with "Legal Proceedings" in Part I, Item 3 of our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 1A. Risk Factors

Our material risk factors are disclosed in "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024. There have been no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table summarizes the activity related to repurchases of our equity securities during the three months ended September 30, 2025:

	Total Number of Shares Purchased (in thousands)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (in thousands)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)
July 2025	383	$ 738.28	383	$ 12,824.9
August 2025	484	660.04	484	12,505.5
September 2025	144	731.50	144	12,399.7
Total	1,011	699.89	1,011	

During the three months ended September 30, 2025, we repurchased $708.1 million of shares under our $15.00 billion share repurchase program authorized in December 2024.

Item 5. Other Information

During the three months ended September 30, 2025, none of our directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in item 408 of Regulation S-K.

Item 6. Exhibits

The following documents are filed as a part of this Quarterly Report:

Exhibit	Description
3.1	Amended Articles of Incorporation, incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 4, 2022
3.2	Bylaws, as amended, incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on May 4, 2022
31.1	Rule 13a-14(a) Certification of David Ricks, Chair, President, and Chief Executive Officer*
31.2	Rule 13a-14(a) Certification of Lucas Montarce, Executive Vice President and Chief Financial Officer*
32	Section 1350 Certification*
101	Interactive Data Files (embedded within the Inline XBRL document)*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)*

* Filed herewith.

Long-term debt instruments under which the total amount of securities authorized does not exceed 10 percent of our consolidated assets are not filed as exhibits to this Quarterly Report. We will furnish a copy of these agreements to the Securities and Exchange Commission upon request.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

ELI LILLY AND COMPANY
(Registrant)

Date: October 30, 2025 /s/ Lucas Montarce
Lucas Montarce
Executive Vice President and Chief Financial Officer

Date: October 30, 2025 /s/ Donald Zakrowski
Donald Zakrowski
Senior Vice President, Finance, and Chief Accounting Officer