

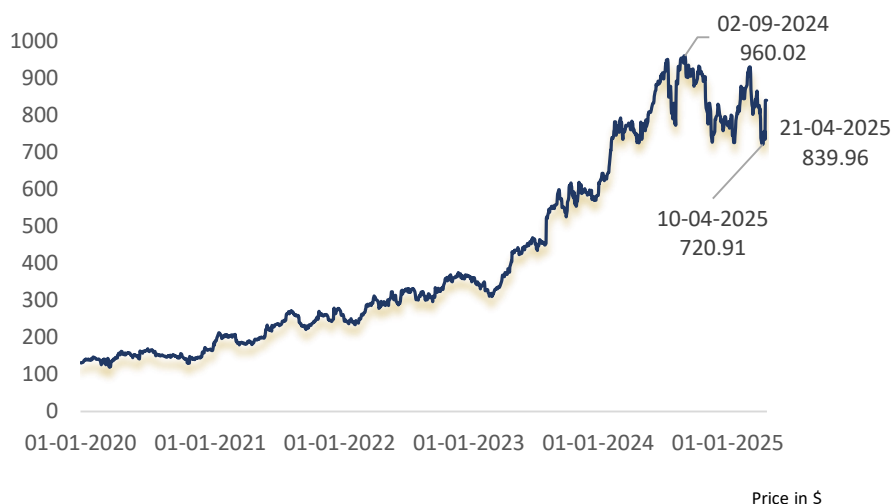


Key Highlights

April 22, 2025

- Eli Lilly Soars on Oral Diabetes Drug Success
- Pressure Mounts on peers with Eli Lilly's success
- U.S. Tariffs on the Pharma Sector may encourage Domestic Manufacturing
- Eli Lilly's Profit Growth May Depend on New Drug Launches
- Eli Lilly's Growth is Focused and Impressive

ELI LILLY Price Trend since 2020



ELI LILLY & Co. Performance

CMP (\$)	839.96
YTD Returns (%)	8.8%
7 day Returns (%)	16%
52 week high (\$)	972.53
52 week low (\$)	677.09
Mkt cap (\$)	796.2 B

Source: Bloomberg (CMP as on 21-04-2025)

Eli Lilly Soars on Oral Diabetes Drug Success

Eli Lilly (NYSE: LLY) is a global biopharma leader based in Indianapolis, known for innovations in diabetes, oncology, immunology, and neuroscience. Eli Lilly shares jumped 14% after its oral GLP-1 drug, orforglipron, met key goals in a late-stage trial, showing strong potential as the first approved oral treatment for diabetes and weight loss. The drug which demonstrated significant weight loss and glycemic control in type 2 diabetes patients, could reshape the competitive landscape by offering a needle-free alternative to injectable treatments like Mounjaro and Zepbound.

Company description

Eli Lilly (NYSE: LLY), founded in 1876 and based in Indianapolis, is a global biopharma leader known for innovation in diabetes, oncology, immunology, and neuroscience. With breakthrough drugs like Mounjaro and Zepbound, Lilly focuses on research-driven therapies that tackle major health challenges, aiming to deliver life-changing medicines with a strong commitment to access and equity.

Pressure Mounts on Novo Nordisk and Viking Therapeutics

Eli Lilly's successful phase 3 trial for orforglipron, a once-daily oral GLP-1 pill, poses a significant challenge to its main competitors, especially Novo Nordisk and Viking Therapeutics. While Novo currently leads the market with injectable based drugs like Ozempic and Wegovy, it lacks a strong oral GLP-1 alternative. It's only approved oral drug Rybelsus, has shown limited weight-loss effects.

Viking, on the other hand, has no commercial GLP-1 drugs yet and its oral counterparts are still in early development stages. Lilly's rapid progress and its commitment to avoiding supply shortages, which previously allowed smaller players like Hims & Hers Health to offer compounded alternatives, signals a strategic move to tighten market control. If orforglipron is approved and launched without major delays, Lilly could enjoy a first-mover advantage in the oral GLP-1 space. It could expand its total addressable market making it increasingly difficult for competitors to gain traction in the booming obesity and diabetes treatment segment.

Metric	Eli Lilly (LLY)	Novo Nordisk (NVO)	Viking Therapeutics (VKTX)
Market Capitalization	\$796.273 Billion	\$259.327 Billion	\$2.688 Billion
GLP-1 Portfolio	Mounjaro, Zepbound, Orforglipron (oral)	Ozempic, Wegovy, Rybelsus (oral)	VK2809 (in development)
Stock Return (YTD %)	8.8%	-32%	-40%
R&D Expenditure (2024)	\$8.5 Billion	\$5.2 Billion	\$0.15 Billion

The update and data points are compiled from Bloomberg, along with other media reports



U.S. Tariffs on the Pharma Sector may encourage Domestic Manufacturing

April 22, 2025

The proposed pharmaceutical tariffs announced by former President Donald Trump could significantly disrupt the U.S. healthcare landscape and global drug supply chains. Tariffs would raise the cost of imported medicines, particularly from countries like India and China, which are key suppliers of generics and active pharmaceutical ingredients (APIs). Indian drug makers, supply nearly 47% of all U.S. generic prescriptions and derive up to 40% of their revenue from the U.S. market.

Drug makers could face a major dent in its profitability. The added costs may be passed on to insurers and consumers, potentially leading to higher drug prices and shortages. In the long term, U.S.-based pharma companies like Eli Lilly may benefit from reduced foreign competition and a push to localize manufacturing. However, the tariffs could also trigger retaliatory trade measures and strain diplomatic relations with key partners, including India, China and the European Union.

Globally, such moves risk destabilizing medicine availability and increasing healthcare costs, especially in economies heavily reliant on U.S. pharmaceutical imports.

Eli Lilly's Profit Growth May Depend on New Drug Launches

Eli Lilly is expected to see strong earnings growth in 2025 and beyond, mainly due to the success of its key drugs: Ebglyss (for skin conditions), Mounjaro (for diabetes), and Zepbound (for weight loss). Mounjaro and Zepbound alone could bring in an extra \$13 billion in sales this year.

Thanks to these high-performing products and better cost control, the company's operating margin (a measure of profitability) is projected to rise to 42.1% in 2025 and 47.2% by 2027.

However, there's a risk: these profit estimates may be too optimistic if the company needs to spend more than expected on late-stage drug trials or marketing new drugs in highly competitive markets.

Eli Lilly's Growth is Focused and Impressive

Eli Lilly, a U.S.-based pharmaceutical company, has a strong presence in diabetes, cancer, immunology, and neuroscience. Traditionally, diabetes made up 40–50% of its business. But with the success of its new GLP-1 drugs, Mounjaro and Zepbound, this could rise to 70% by 2026. These two drugs contributed 16% of sales in 2023 and are expected to reach 55% by 2026. They're also helping boost profits, with operating margins projected to grow from 27% to 45%.

Meanwhile, Eli Lilly's cancer and immunology businesses are also growing fast, expected to expand over 50% by 2026 thanks to new products and uses.

Key Takeaways

Eli Lilly is growing fast and smart. It's a U.S.-based pharma company known for its work in diabetes, cancer, immunology, and brain health. Its new diabetes and weight-loss drugs, Mounjaro and Zepbound, are driving massive growth—expected to make up over half its sales by 2026. These drugs are also helping increase profits, with operating margins rising from 27% to 45%. The company's other areas like oncology and immunology are also set to grow over 50% by 2026. While there are risks from high marketing and trial costs, overall, Lilly is well-positioned for strong, long-term success.

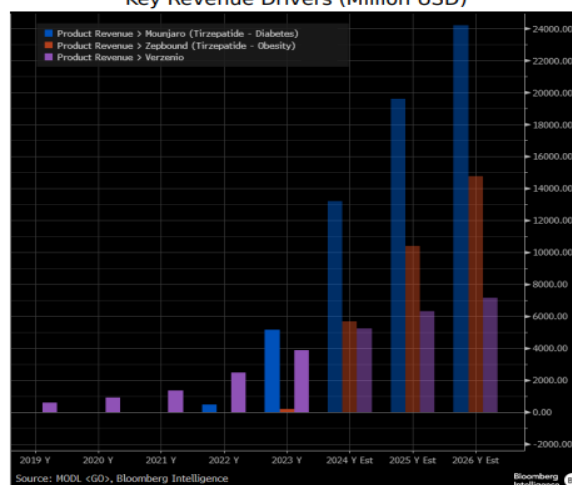
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Disclaimer: Investment in Securities Market are subject to market risks. Read all the related documents carefully before investing.

Key Revenue Drivers (Million USD)



Source: Bloomberg