INITIATED REPORT

LLY80(DR)

Eli Lilly and Company

Globlex Securities Co., Ltd.

20 August 2026

A crown Novo built, a ground Lilly grow

- LLY overtook NOVO not only on science but also on operations
- Core franchise (Mounjaro, Zepbound) still growing, plus Foundayo, Retatrutide, and a broad pipeline adding further growth on top
- Initiated with BUY, TP THB2.36 (32x 2027E P/E)

Second in, first to lead

While Novo Nordisk, the first mover to invent the GLP-1 weight-loss market with Wegovy in 2021 and later briefly became Europe's most valuable company, Lilly, a follower, had fast catching up with a competing product on shelves. Four years later, Mounjaro and Zepbound overtook Novo's combined GLP-1 sales, and Lilly holds roughly 60% of the US market. Tirzepatide beat semaglutide head-to-head in SURMOUNT-5 trial and beat Novo's newer CagriSema in REDEFINE trial. Being early was not the same as staying ahead.

The core franchise still has room to run

That lead is not slowing down. We forecast Mounjaro and Zepbound to grow from USD36.5b in 2025 to USD77.9b by 2028E, on the back of two catalysts. Mounjaro and Zepbound already grew 74% y-y in 2Q26, driven by more patients starting therapy rather than price increases. Medicare's new GLP-1 Bridge program brings Zepbound into coverage for the first time from July 2026, and a parallel Medicaid model unlocks a second channel from 2027, expanding Lilly's addressable market further — while outside the US, Lilly already holds 54.9% of the international incretin market, growing 74% y-y.

The next wave of obesity drugs is already arriving

That growth isn't riding on Mounjaro and Zepbound alone. We forecast Foundayo and retatrutide to add USD6.0b in revenue by 2028E, from two very different products. Foundayo, Lilly's first oral GLP-1, launched in April 2026, cheaper to manufacture and free of the dosing restrictions that limit Novo's own pill. Retatrutide, a triple-mechanism injectable, produced 28.3% average weight loss in its pivotal trial and is on track for a 2028 launch — but even the best GLP-1 drug eventually meets its patent expiry.

What comes after GLP-1 carries the growth

GLP-1 is not where the story must end. Lilly runs three growth engines built for exactly that: in-house R&D spanning dozens of Phase 2/3 programs, a venture-capital-style acquisition strategy, and AI-assisted drug discovery backed by 150 years of proprietary trial data. Oncology, immunology, and neuroscience are already generating new efficacy data of their own, extending growth well beyond the core franchise.

Initiated with BUY at TP THB2.36

We apply 32x to our 2027E EPS forecast of USD44.73. A premium to pharma peers justified by Lilly's best-in-class GLP-1 molecule, proven head-to-head against Novo, and multiple growth legs (Foundayo, retatrutide, non-GLP-1 pipeline) rather than reliance on one product. This gives a target price of THB2.36, cross-checked at a PEG of 1.03x — fairly priced for that growth.

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BUY

Target Price 12M (THB)	**2.36**
VS. BB Consensus TP (%)	+8.4%
Share Price (THB)	2.10
Upside/Downside	+12.5%
Conversion Ratio (DR : Underlying)	20000:1

Underlying Share Data

Company Name	Eli Lilly and Company
Market Cap (USD b)	1,151.1
Free Float (%)	86.7
Issued Shares (m shares)	899

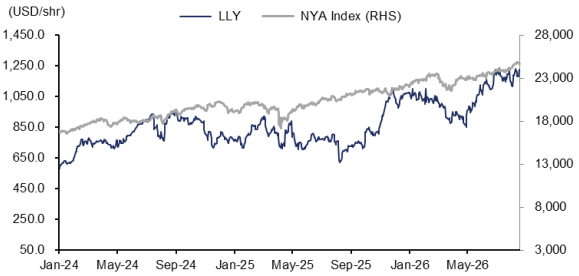
Financial forecast – Underlying share

Year ending Dec	2025	2026E	2027E	2028E
Revenue (USD b)	65.2	87.9	101.3	115.4
Net profit (USD b)	20.6	32.7	40.2	46.5
Core net profit (USD b)	23.5	32.7	40.2	46.5
vs Consensus (%)		(0.4)	(4.3)	(4.2)
Net profit growth (%)	94.9	58.4	23.1	15.7
Core net profit growth (%)	71.4	39.0	23.1	15.7
EPS (USD/share)	23.0	36.3	44.7	51.8
Core EPS (USD/share)	26.2	36.3	44.7	51.8
Chg in core EPS (%)		0.0	0.0	0.0
DPS (USD/share)	5.99	7.27	8.95	10.35
P/E (x)	46.8	35.2	28.6	24.7
P/BV (x)	36.4	21.8	13.6	9.4
Dividend yield (%)	0.56	0.57	0.70	0.81
ROE (%)	101.2	82.5	58.5	45.0

Source: Financial Statement and Globlex securities

DR Share Price Performance (%)

	1M	3M	6M	YTD
Stock	6.1	25.8	32.1	25.0
Market	n/a	n/a	n/a	n/a
12M High/Low (THB)				2.10 / 1.11



Major Shareholders (%) as of 19 August 2026

Lilly Endowment Inc	9.60
Vanguard Group Inc	9.21
Blackrock	7.18

Company Profile

Eli Lilly and company discovers, develops, manufactures, and sells pharmaceutical products for humans and animals. The company products are sold in countries around the world. Eli Lilly products include neuroscience, endocrine, anti-infectives, cardiovascular agents, oncology and animal health products.

Source: Bloomberg

A crown Novo built, a ground Lilly grows

Eli Lilly is a US pharmaceutical company built on diabetes and obesity care — Mounjaro and Zepbound, its two GLP-1 drugs, alone account for 56% of 2025 revenue and an estimated ~60% of gross profit, more than every other drug Lilly sells combined. That concentration has driven the stock up 82% over the past year and roughly 360% over the past five years, as the market has re-rated Lilly from a normal pharma company into the clear leader of the biggest new drug category in a generation. The broader Cardiometabolic Health segment they sit in makes up 74% of revenue; Oncology (14%), Immunology (8%), Neuroscience (2%), and Other Pharmaceutical (1%) make up the rest.

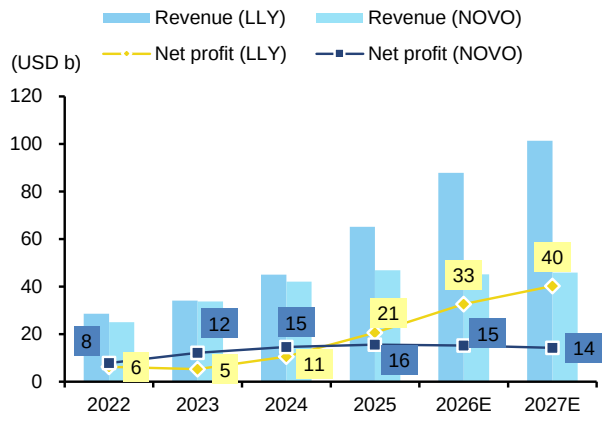
Science caught up with the story

Novo Nordisk invented the modern weight-loss drug market by mimicking GLP-1, a gut hormone that suppresses appetite and helps regulate blood sugar. Its first drug, Wegovy, launched in 2021 and became a cultural phenomenon before Lilly had a competing product on shelves. For nearly three years, Novo was the story: the first mover, briefly Europe's most valuable company. It turns out that being early is not the same as staying ahead — and the reasons why say as much about how each company is run as they do about the chemistry involved.

Two things happened in parallel. On the science, Lilly's SURMOUNT-5 trial in July 2025 put tirzepatide (branded as Mounjaro for diabetes and Zepbound for obesity) directly against semaglutide (Novo's version, branded Ozempic and Wegovy) in the same patients, and tirzepatide won. Novo's answer back with CagriSema (its own newer combination drug) but still lost head-to-head against tirzepatide in Novo's own trial (REDEFINE) as well; Novo's shares fell 15.4% the day that data came out, Lilly's rose 4.2%.

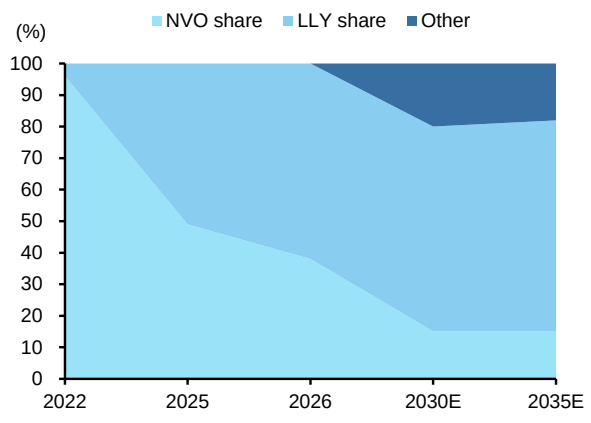
On execution, Novo simply could not make enough Wegovy. Chronic stockouts through 2022–2024 pushed patients toward compounded, unregulated alternatives and left real, paying demand on the table — demand a well-supplied competitor could capture. Lilly, over the same period, was pouring capital into manufacturing years ahead of needing it. By 2025, combined Mounjaro and Zepbound sales had overtaken Novo's Ozempic and Wegovy combined, and Lilly held roughly 60% of the US GLP-1 market. A company that arrived second in a market it did not create is now setting the pace in it — on the strength of a better molecule.

Exhibit 1: Financial comparison (LLY vs NOVO)



Sources: Bloomberg; Globlex Research

Exhibit 2: LLY and NOVO GLP-1 market share



Sources: UBS

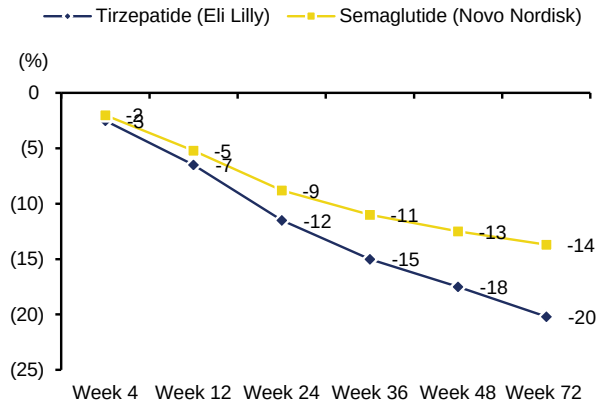
What's left to compete on?

Prescription drugs generally do not compete the way most products do. For most of a drug's life, it holds a government-granted period of exclusivity — patent protection, plus separate data exclusivity — during which no generic competitor can legally enter. Inside that window, brands compete on a mix of things: how well the drug works, how safe it is, its price relative to alternatives, whether insurers and pharmacy benefit managers (PBMs, the middlemen who negotiate which drugs get covered) are willing to cover it, how effectively the company markets it to physicians and patients, and, less often discussed, whether the company can reliably keep it in supply. Then the window closes. Generic entry typically cuts prices by 80% or more within the first year or two after a patent expires, so in practice, a drug's entire commercial life is a race against that clock, not an open-ended competition the way a consumer product's is.

Narrow the lens to GLP-1 specifically, and the field competing for that prize is even tighter than the category-wide picture above suggests. Both Mounjaro/Zepbound and Novo's Ozempic/Wegovy remain fully inside their patent and data-exclusivity windows — no generic has entered, and none legally can for years — and realistically only two companies are shipping a differentiated product at this scale.

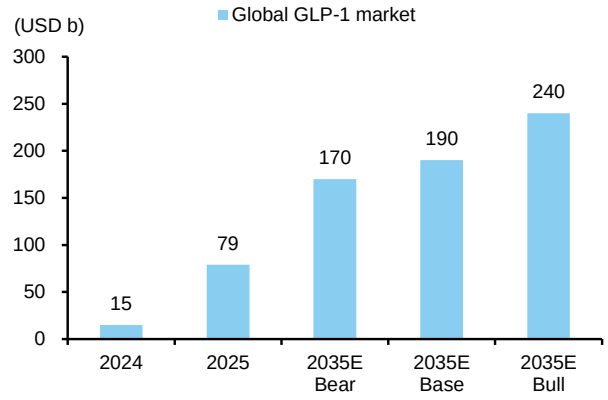
With the generic threat absent for now, and with patients taking these drugs continuously for years rather than filling a short course, marketing spend and pricing games matter less here than they do in most of pharma. What is left to compete on, almost entirely, is **efficacy** and **safety** — the same fight tirzepatide has already won twice. In SURMOUNT-5 trial, it produced more weight loss than semaglutide (-20.2% vs -13.7% of body weight at 72 weeks) and was better tolerated (2.7% of patients stopped from gastrointestinal side effects, versus 5.6% on semaglutide); against CagriSema in REDEFINE trial, it won again. Lilly did not need a marketing advantage to take the lead in this category. It won on the only two things a chronic-use drug sold by a two-player market can really compete on.

Exhibit 3: LLY vs NOVO Weight Loss Comparison (%)



Sources: LLY/ NOVO (SURMOUNT-5 and REDEFINE trial results)

Exhibit 4: GLP-1 Market Size Forecast



Sources: Morgan Stanley

Exhibit 5: SURMOUNT-5 & REDEFINE — Head-to-Head Efficacy Results

Category	Eli Lilly (Tirzepatide)	Novo (Semaglutide)
Weight loss (obesity, no T2D)	20.2–22.5%	13.7–14.9%
A1C reduction (type 2 diabetes)	–2.0 to –2.3%	–1.5 to –1.9%
Patients achieving ≥25% weight loss	32%	16%
Waist circumference reduction	–14.7 cm	–10.5 cm
Discontinuation due to GI side effects	2.70%	5.60%

Sources: LLY, NOVO; Globlex research

The prize for winning is large enough to be worth the fight. Morgan Stanley estimates the global GLP-1 market grew from USD15b in 2024 to USD79b in 2025, and projects it to reach USD170-240b by 2035E across its downside-to-upside (Bear-to-Bull) range (Base case: USD190b) — a wide range, but one where, on any of these estimates, Lilly and Novo are the two companies positioned to capture most of it. The open question is not whether Lilly currently leads on efficacy and tolerability; the data already says it does. It is whether that lead holds long enough to convert a market this size into durable revenue, rather than ceding it to Novo's next attempt or to a future entrant once today's patents eventually lapse.

What would it take to catch up?
The clinical result above is not a lucky trial. It is a mechanism advantage, and mechanism advantages are harder to erase than a marketing budget or a price cut — in which we believe Lilly now holds three distinct advantages.

- **Advantage #1: Tirzepatide works on two receptors at once** — GIP and GLP-1. Semaglutide and Novo's newer CagriSema each add at most one extra mechanism on top of that. Beating two different chemical approaches Lilly didn't design gives away more than a single lucky result would suggest the edge comes from science itself, not just from Novo's mistakes. That's the first hurdle any future rival must clear before anything else on this list even matters.

- **Advantage#2: The second is patent protection**, and it is more layered than a single expiry date implies. Every drug here is protected by two separate legal mechanisms that expire independently: a compound patent, and a period of regulatory data exclusivity. In practice, it's the patent — not the data exclusivity window — that sets the real clock, since compound patents outlast data exclusivity in every market. On that basis, Lilly's core GLP-1 franchise is protected in the US roughly four years past Novo's 2032 patent cliff on Ozempic and Wegovy. That four-year gap is the single most concrete number in this section: it's the length of time Lilly can keep defending today's pricing and share on its core franchise after Novo's IP protection has already run out.

- **Advantage#3: The third is manufacturing.** A good drug is worthless if a company cannot make enough of it. Lilly has committed roughly USD50b to US manufacturing since 2020, across several dedicated new plants, on top of continued expansion at existing sites. Not all of this is online yet — some of the newest facilities are not expected to be operational for several more years. But the earlier-completed capacity is already visible in tighter fill rates and fewer reported shortages through 2026, at exactly the moment Novo continues to work through its own. In a market decided as much by who can ship as by who has the better molecule, this is not a minor operational detail — it is the difference between the company that discovered the category and the one now leading it.

Exhibit 6: Summary of GLP-1 Patent and Data Protection — LLY vs NOVO

Company	Drug	Molecule	Protection Type	US	EU	Japan	China
LLY (Eli Lilly)	Mounjaro/Zepbound	tirzepatide	Compound patent	2036	2037	2040	n/a
			Data/biologics exclusivity	2027	2033	2030	n/a
	Trulicity	dulaglutide	Compound patent	2027	2029	2029	n/a
			Biologics data exclusivity	2027	—	—	n/a
NVO (Novo nordisk)	Ozempic	semaglutide (injectable, T2D)	Compound patent	2032	2032	2031	2026
			NCE data exclusivity	2022	n/a	n/a	n/a
	Wegovy	semaglutide (injectable, obesity)	Compound patent	2032	2032	2031	2026
			NCE data exclusivity	n/a	n/a	n/a	n/a
	Rybelsus	semaglutide (oral)	Compound patent	2032	2032	2031	2026
			NCE data exclusivity	n/a	n/a	n/a	n/a

Sources: LLY; Globlex Research

Together, these three advantages describe why the products Lilly already sells are difficult to dislodge quickly. A rival would need a better molecule, a way around two layers of legal protection, and enough factory capacity to supply it, all at once.

Exhibit 7: LLY vs NOVO Manufacturing Investment & Plant Timeline

Company	Stage	Sites (count)	Organic Capex	Status
LLY (Eli Lilly)	API	Lebanon, IN + Huntsville, AL (2)	USD15.0B	Under construction
	Fill-Finish/Injectables	Concord, NC + Alzey, Germany (2)	USD3.5B	Under construction
	Existing/Acquired	Kenosha County, WI (1)	Undisclosed	Operational
NVO (Novo nordisk)	API	Kalundborg, Denmark (1)	DKK 42B (USD6.4b)	Partially operational
	Fill-Finish	Clayton, US + Chartres, France (2, newly built)	DKK 43B (USD6.5b)	Under construction
	Fill-Finish (acquired via M&A)*	Bloomington + Brussels + Anagni (3, ex-Catalent)	*See note below	Operational

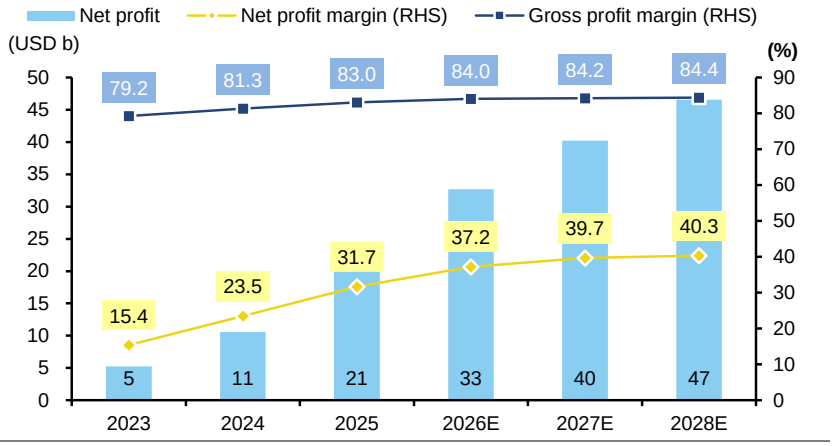
*Acquired as part of the $16.5B Catalent deal (whole-company acquisition, not GLP-1-specific capex — not directly comparable to the organic figures above)

Sources: LLY; Globlex Research

As a result, we forecast net profit to grow from USD20.6b in 2025 to USD46.5b by 2028E— a 31% CAGR, driven by three forces:

- **The Biggest It's Been, Not the Biggest It Will Be** — the core Mounjaro/Zepbound franchise still scaling up.
- **The Next Wave of Obesity Drugs Is Already Arriving** — a pill and a stronger injectable reaching new patients.
- **What Comes After GLP-1 Carries the Growth** — a broad, self-funded pipeline reducing reliance on any single mechanism.

Exhibit 8: Gross profit margin, Net profit, and Net profit margin



Sources: LLY; Globlex Research

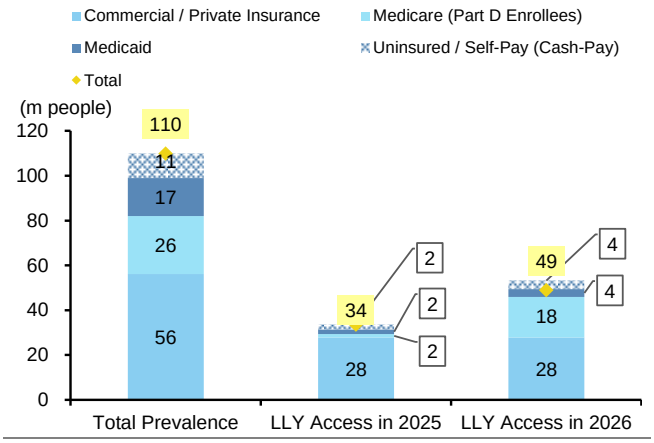
The Biggest it's been, Not the Biggest it will be

In Q2 2026, Mounjaro and Zepbound combined for USD14.9b in revenue, up 74% y-y, and worldwide GLP-1 volume grew 60% even as realized prices fell 13%. That volume-over-price mix matters: it means the growth is coming from more patients starting therapy, not from price increases doing the work — a healthier and more durable kind of growth than a company relying on list-price hikes to hit its numbers. We believe both drugs still have room to grow from here, for two separate reasons.

The first is coverage, and it plays out differently for each drug. Zepbound (obesity) never had Medicare coverage at all — federal law has long excluded weight-loss drugs from Part D. That changes on 1 July 2026, when the Medicare GLP-1 Bridge program brings Zepbound, alongside Wegovy and Foundayo, into coverage at a USD50/month copay — a real first-time expansion of Zepbound's patient base, not a repricing of an already-covered drug.

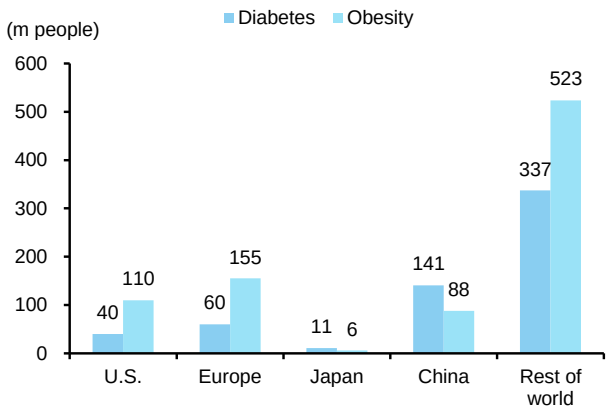
In other hand, Mounjaro (diabetes) was already reimbursed under Part D, so nothing changes there directly, but it carries a separate advantage: it wasn't selected in either round of Medicare's drug price negotiations, while Novo's Ozempic was, and will sell to Medicare at a negotiated USD274/month from 2027 — Lilly's flagship diabetes drug keeps its full price where its main rival takes a government-mandated cut. On the Medicaid side, a parallel program (the BALANCE model) lets state opt in from May 2026 to cover Mounjaro, Zepbound, Ozempic, Wegovy, Rybelsus, and Foundayo at an agreed net price of USD245/month from 2027 — a second newly-unlocked channel.

Exhibit 9: LLY's total addressable market 2025 vs 2026



Sources: CMS; Globlex research

Exhibit 10: Key Markets — obesity patient population

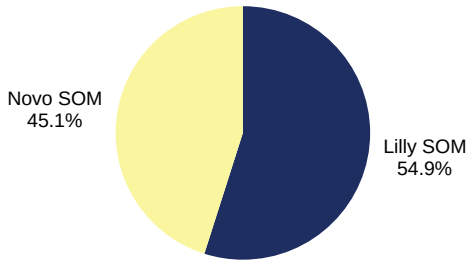


Sources: CDC/WHO obesity prevalence data; Globlex research

The second is growth outside the US. In Q2 2026, revenue outside the US rose 80% y-y to USD8.6b, and Mounjaro's international sales (USD5.2b) overtook its US sales (USD4.8b) for the first time, driven largely by its addition to China's National Reimbursement Drug List. The global incretin market outside the US grew 74% in the same quarter, and Lilly now holds a 54.9% share versus Novo's 45.1% — leading the category abroad by almost the same margin it does at home. Part of that growth is coming from a market GLP-1 drugs weren't originally designed for: cosmetic weight loss. A 2024 peer-reviewed survey found that 25.3% of aesthetic practitioners had prescribed or personally used a GLP-1 drug, and 70.3% of that personal use was for cosmetic rather than medical reasons — demand broadening beyond diagnosed obesity and diabetes into elective, self-pay use.

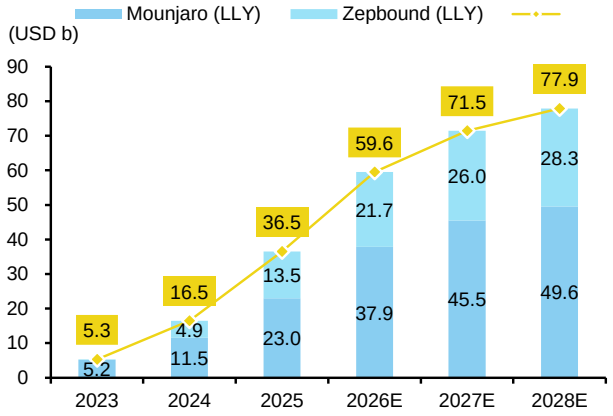
We forecast combined Mounjaro and Zepbound revenue to grow from USD36.5b in 2025 to USD59.6b in 2026E, USD71.5b in 2027E, and USD77.9b in 2028E — up 63%, 20%, and 9% y-y respectively. That growth outpaces the rest of the company: the two drugs go from 56% of total revenue in 2025 to roughly 67-70% by 2027E-2028E.

Exhibit 11:International GLP-1 market share (as of 2Q26)



Sources: LLY

Exhibit 12: Mounjaro and Zepbound revenue forecast



Sources: LLY; Globlex research

The Next wave of Obesity drugs is already arriving

Foundayo opens the franchise to patient's injectables couldn't reach

Lilly launched Foundayo (chemical name Orforglipron), its first oral GLP-1, in April 2026, generating USD98m in its first partial quarter. On efficacy, it does not win — around 11.2% mean weight loss versus roughly 13.6% for Novo's oral semaglutide (Wegovy in pill form), approved months earlier. It wins on practicality: Foundayo can be taken any time, without food or water restrictions, while Novo's pill requires an empty stomach, a small sip of water, and a 30-minute wait before eating or drinking.

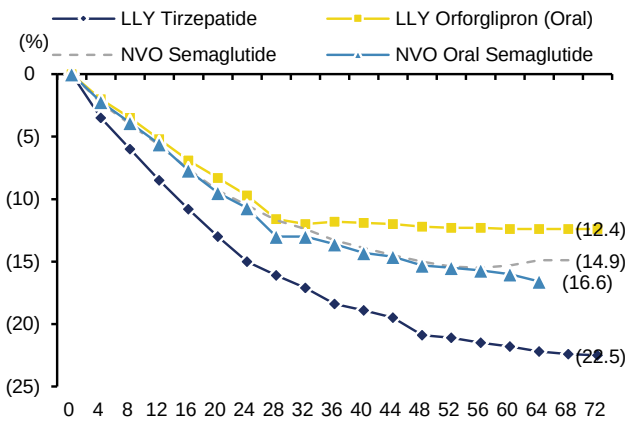
As a small molecule rather than a peptide (a simpler type of chemical compound, easier and cheaper to produce than an injectable protein), Foundayo also needs no refrigeration and is cheaper to manufacture at scale. Lilly expects to launch it globally without the supply constraints that have periodically hit the injectable franchise. We treat Foundayo as an expansion of the addressable market — reaching needle-averse patients and markets without reliable cold-chain logistics — rather than cannibalization of Mounjaro/Zepbound.

Exhibit 13: Foundayo (Orforglipron)

80%+ of Foundayo prescriptions are new incretin patients

Sources: LLY

Exhibit 14: LLY vs NOVO Obesity Pills



Sources: LLY; NOVO; Globlex research

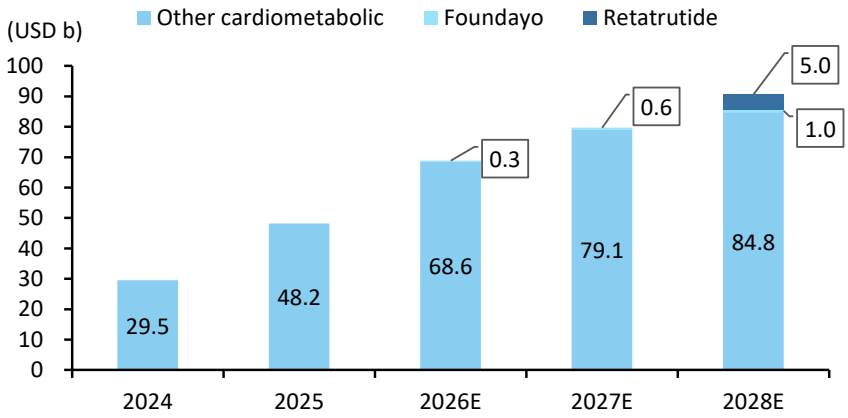
Retatrutide changes the question from "GLP-1 or not" to "which GLP-1"

Retatrutide (chemical name) adds a third mechanism to tirzepatide's GIP/GLP-1 combination: glucagon receptor agonism, which raises resting energy expenditure by an estimated 5-10% and accelerates the liver's own fat-burning, on top of the appetite suppression GLP-1 and GIP already provide. In its pivotal TRIUMPH-1 trial, the highest dose produced 28.3% average weight loss over 80 weeks, ahead of tirzepatide's own 20.9% over 72 weeks in its SURMOUNT-1 trial.

Lilly submitted the final Phase 3 data in Q2 2026 and plans to file a Biologics License Application in Q1 2027. Standard review timelines point to approval in late 2027 and a US launch in early-to-mid 2028, though priority review could pull that forward. By the time Wegovy launched in 2021, whether patients would try a GLP-1 drug was no longer in question. What still had to be settled was which one they'd stay on once several were on the market — and that contest is still running. Retatrutide is Lilly's newest entry into it.

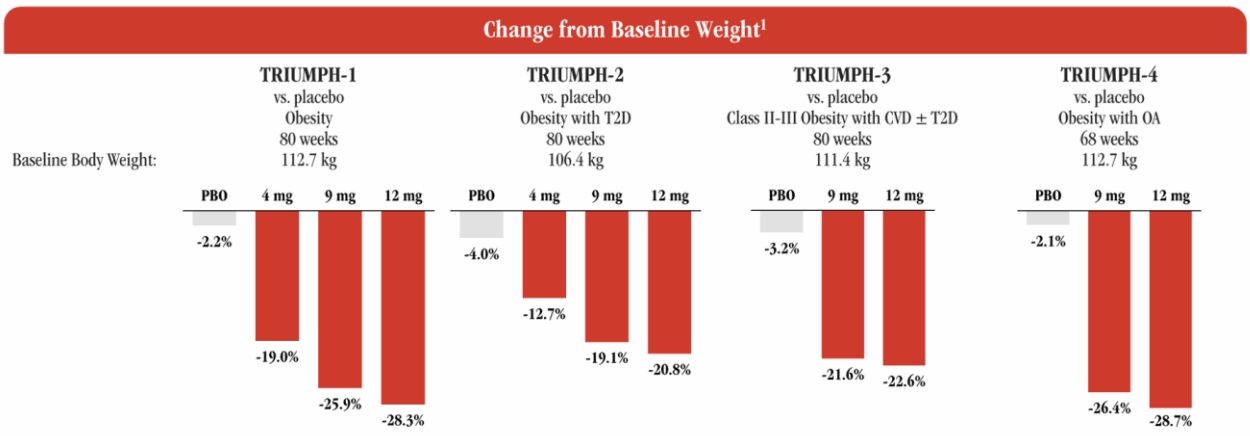
We forecast combined Foundayo and retatrutide revenue of USD0.3b in 2026E, USD0.6b in 2027E, and USD5.96b in 2028E, once retatrutide launches. Combined with continued Mounjaro and Zepbound growth, that puts total Cardiometabolic Health segment revenue at USD68.9b in 2026E, USD79.7b in 2027E, and USD90.7b in 2028E — up 43%, 16%, and 14% y-y respectively.

Exhibit 15: Foundayo and Retatrutide revenue forecast



Sources: LLY; Globlex research

Exhibit 16: Retatrutide Weight Loss Result



Sources: LLY

What comes after GLP-1 carries the growth

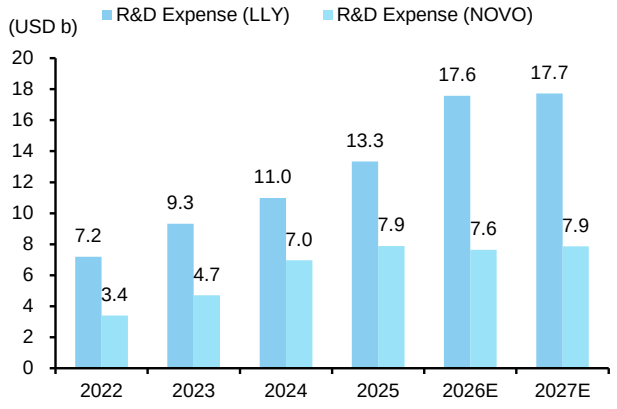
Once Mounjaro and Zepbound eventually face generic competition (patents run to 2036-2040, data protection to 2027-2033), GLP-1 alone won't carry the company forever. The question is whether Lilly has already built what comes after — and the pipeline behind it suggests it has.

Three engines behind the pipeline

- **Own R&D:** Core R&D spending of USD13.3b in 2025 (up 21% y-y) and USD3.8b in Q2 2026 alone (17% of revenue) buys more than a bigger budget — it buys breadth. Lilly is running dozens of programs across Phase 2 and Phase 3 simultaneously, spread across therapeutic areas from obesity to oncology to neuroscience. That breadth matters because a single failed trial, or a single research team that runs dry, is rarely fatal to the next decade's revenue when there are this many shots on goal running at once.

- **Acquisition:** Large pharma companies are, overall, not particularly good at invention — the highest-risk, most creative science tends to happen inside small, founder-led biotechs willing to bet everything on one idea, not inside the risk-averse committee structures of a company Lilly's size. What Lilly does well instead is closer to what a venture capital firm does: scout early, unproven work, then supply the capital a biotech cannot raise on its own once a Phase 3 trial or a manufacturing scale-up gets too expensive to fund alone. Lilly spent USD15.3b on business development in the first half of 2026, including Verve Therapeutics (USD1.3b, gene-edited PCSK9 therapy, now advancing lepodisiran for Lp(a)) and AtaiBeckley (up to USD3.8b, psychedelic-derived depression treatment). Neither is a near-term revenue driver, but both show the model reaching into areas — cardiovascular, psychiatry — where Lilly has no prior presence at all.

Exhibit 17: R&D Spending — LLY vs NOVO



Sources: LLY; NOVO; Globlex Research

Exhibit 18: Significant M&A in 2Q26

Sources: LLY

- **AI:** Nearly every large pharma company is now pairing with a hyperscaler on AI-assisted drug discovery — Lilly's own arrangement runs through a deal worth up to USD2.75b with Insilico Medicine and a roughly $1bn, five-year commitment with NVIDIA. The natural worry for an incumbent is that this technology lowers the barrier to entry, letting a well-capitalized newcomer with no drug-development history compete on equal footing. That worry skips a step: an AI model is only as good as the data it's trained on, and the most valuable data in drug discovery isn't the list of successes — it's the list of failures, the compounds that looked promising and quietly didn't work, and why. Lilly has 150 years of that. A new entrant can rent compute and license a model, but it cannot buy a century and a half of proprietary failure data.

Oncology, immunology, and neuroscience are already generating new efficacy data that's expanding, not just maintaining, current drugs' addressable use —

Jaypirca's 45% risk reduction in combination with venetoclax, Retevmo's 83% risk reduction in the adjuvant RET+ NSCLC setting, alongside Ebglyss, Omvoh, Kisunla, and Inluriyo still early in their launch curves.

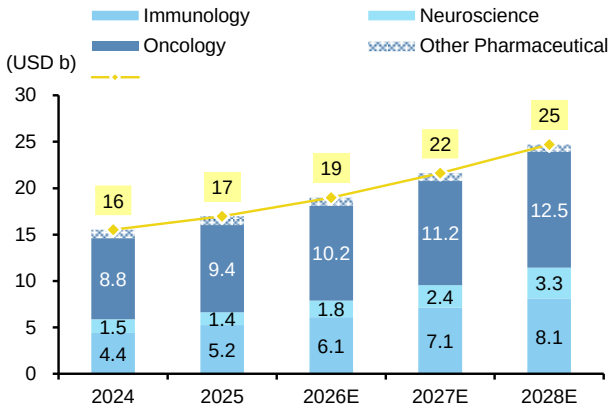
We forecast revenue in immunology, neuroscience, and oncology to grow at roughly 13%, 15%, and 15% y-y to 2028E, respectively, while the smaller Other Pharmaceutical segment (legacy products including Cialis and Forteo) continues to decline, at roughly -5% CAGR over the same period.

Exhibit 19: AI Integration Comparison

Company	Flagship AI Partner/Model
Lilly	NVIDIA (owned infrastructure) + TuneLab ecosystem
Novo Nordisk	OpenAI (enterprise-wide) + NVIDIA (via shared national supercomputer)
Merck	Google Cloud (Gemini Enterprise)
Pfizer	Multi-vendor, no flagship deal
AbbVie	Diversified portfolio (Apheris, ConcertAI, BigHat, Unlearn, Neomorph) + internal ARCH platform

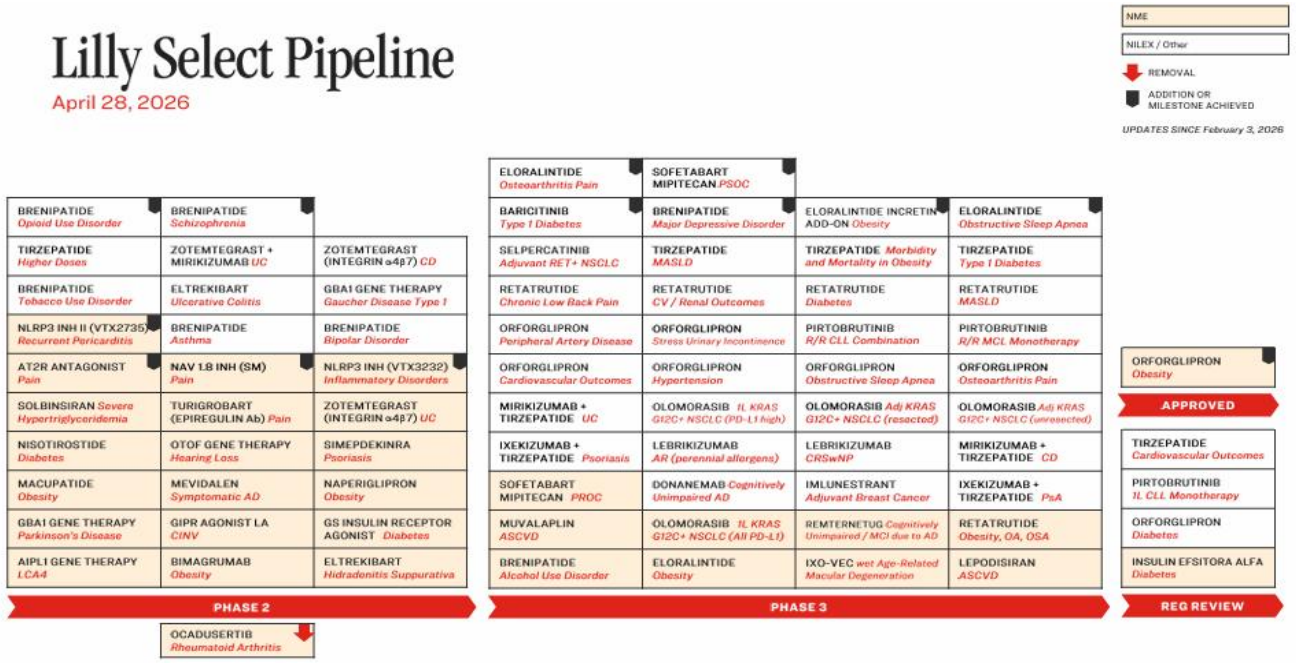
Sources: Globlex Research

Exhibit 20: Revenue Forecast (ex-Cardiometabolic)



Sources: LLY; Globlex research

Exhibit 21: Lilly's Medicine Pipeline (Phase 2/3/Reg Review)



Sources: LLY

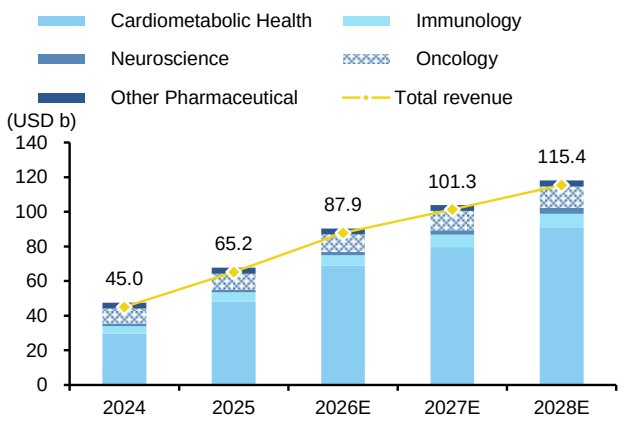
Financials: Growth = Cash

We forecast revenue to compound from USD65.2b in 2025 to USD115.4b by 2028E, a 21% CAGR, decelerating each year (+34.8% 2026E, +15.3% 2027E, +13.9% 2028E) as the core GLP-1 base matures and the newer growth drivers' phase in more gradually.

We forecast gross margin to drift modestly higher, from 83.0% in 2025 to 84.4% by 2028E. Two forces are at work, and the tailwind wins out slightly: Foundayo, a small-molecule pill, is structurally cheaper to manufacture than injectable peptides, and that mix shift — plus continued in-house manufacturing replacing third-party contract production — is a genuine cost tailwind. Working against it, Medicare and Medicaid negotiated pricing compresses net realized price on a growing share of volume, though this pressures revenue/ASP more directly than it pressures the cost side that gross margin measures.

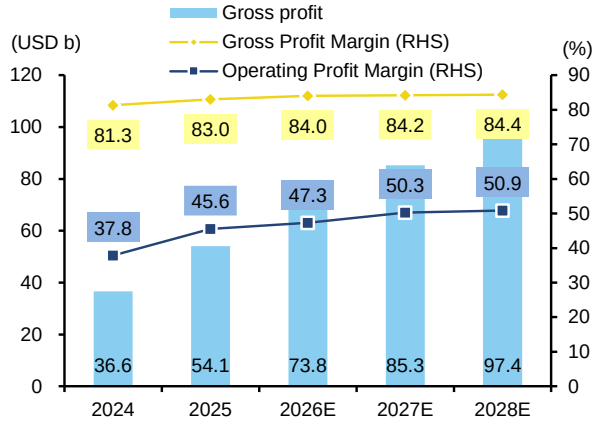
We forecast operating margin to expand from 45.6% in 2025 to 50.9% by 2028E as the business scales faster than its cost base, and the small gross-margin tailwind compounds on top of that. Net profit grows faster still — we forecast USD20.6b in 2025 compounding to USD46.5b by 2028E, a 31.1% CAGR (+55% 2026E, +23% 2027E, +16% 2028E), taking net margin from 31.7% to 40.3%. EPS follows the same path, from USD23.0 to USD51.8.

Exhibit 22: Revenue by segments



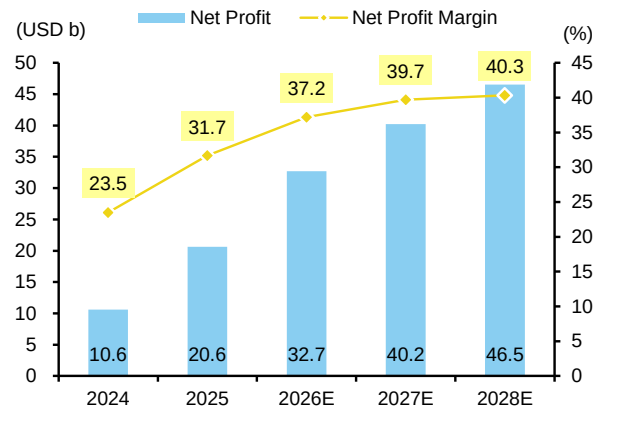
Sources: LLY; Globlex research

Exhibit 23: Gross Profit, GPM and OPM



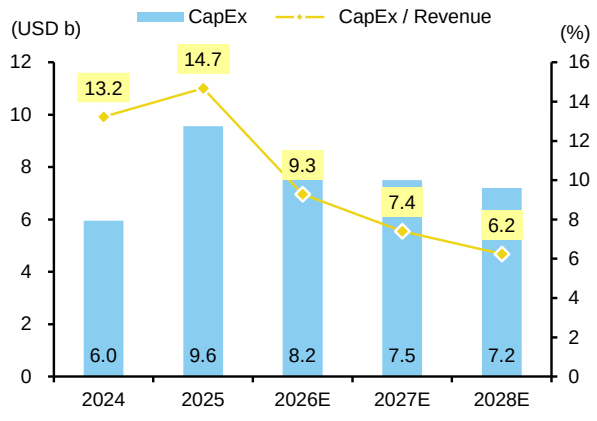
Sources: LLY; Globlex research

Exhibit 24: Net profit and NPM



Sources: LLY; Globlex research

Exhibit 25: Capex & Capex to revenue ratio



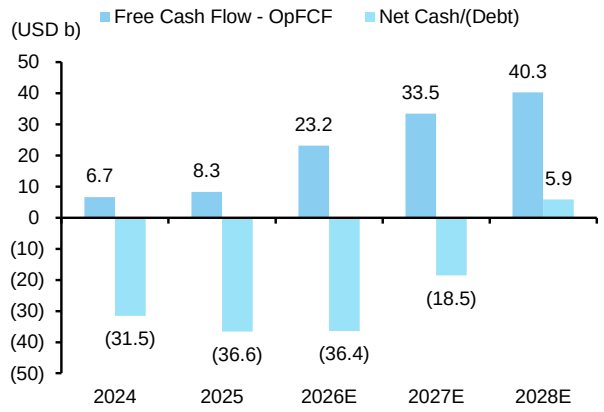
Sources: LLY; Globlex research

CapEx moderates as free cash flow builds toward net cash

We forecast CapEx of USD8.2b in 2026E and USD7.5b in 2027E, falling from 12.0% of revenue in 2025 to 6.2% by 2028E — consistent with the manufacturing sites discussed earlier finishing construction rather than a new buildout starting. As CapEx moderates, free cash flow (OpFCF) grows from USD8.3b in 2025 to USD23.2b in 2026E, USD33.5b in 2027E, and USD40.3b by 2028E.

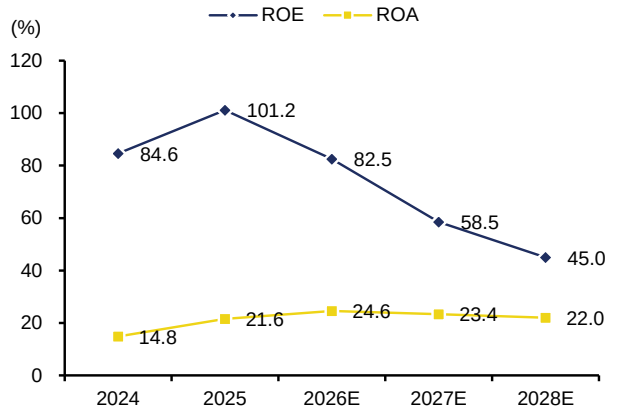
That cash generation funds the acquisition spending built into the model while still deleveraging the balance sheet. Lilly sits in a net debt position of USD36.6b in 2025; we forecast that to narrow to USD36.4b in 2026E and USD18.5b in 2027E, before flipping to a net cash position of USD5.9b by 2028E as free cash flow generation outpaces the pace of further deal-making.

Exhibit 26: Free Cash flow & Net cash (debt)



Sources: LLY; Globlex research

Exhibit 27: ROE & ROA



Sources: LLY; Globlex research

Initiated with Buy TP at THB2.36

Fair multiple: 32x 2027E

LLY trades at 27.5x forward P/E, an 81% premium to the peer mean of 15.2x. It's more useful to split that into two comparisons than to look at the blended average.

Against Novo Nordisk, its closest direct comp, LLY trades at a 104% premium (27.5x vs. 13.4x). We see this as justified mainly by patent timing: Novo's growth is anchored almost entirely on semaglutide (Ozempic/Wegovy), which starts losing patent protection in key markets later this decade, while LLY's GLP-1 franchise is one growth leg among several — Foundayo and retatrutide extend the runway well past that point.

Against the broader group of ten global pharma majors (Merck, Pfizer, J&J, AbbVie, BMS, Roche, AstraZeneca, Novartis, GSK, Sanofi), LLY trades at a 94% premium (27.5x vs. 14.2x mean). This isn't a uniform patent-cliff story — several of these, AbbVie included, have already worked through major patent losses and diversified around them. The gap comes down to growth runway: none of the ten currently has a product or pipeline with the scale and growth trajectory of LLY's GLP-1 franchise, so the premium reflects a genuinely faster growth outlook rather than a temporary re-rating.

We value LLY at 32x 2027E EPS. That multiple isn't just extrapolating current growth — it's underwritten by the moat established earlier in this report: Lilly holds the best-in-class GLP-1 molecule, proven head-to-head against Novo's own drugs in SURMOUNT-5 and REDEFINE, and that lead is backed by multiple growth legs (Foundayo, retatrutide, and a broad non-GLP-1 pipeline) rather than a single product, with the franchise defensible roughly four years past Novo's own 2032 patent cliff. Cross-checked against our 2026-2028E net profit CAGR of 31.1%, this gives a PEG of 1.03x — 32x is fairly priced for that growth.

At 32x our 2027E EPS of USD44.73, target price is USD1,431/share. Converting at 1:20,000 and FX THB33.0/USD gives a LLY80 (DR) target of **THB2.36**.

Exhibit 28: Scenario analysis

Case	NP growth (%)	P/E (x)	EPS 2027E (USD)	Target (USD/sh)	LLY80 (DR) Target (THB)	Upside/(Downside) (%)	Implied PEG (x)
Bear	20.0	25	36.76	918.9	1.52	-27.8%	1.25
Base	31.1	32	44.73	1,431.5	2.36	12.5%	1.03
Bull	38.9	35	49.76	1,741.6	2.87	36.8%	0.90

Sources: LLY; Globlex Research

Exhibit 29: Sensitivity valuation at base case (anchor 2027E EPS at USD44.73)

P/E	29x	30x	31x	32x	33x	34x	35x
LLY80 (DR) target price	2.14	2.21	2.29	**2.36**	2.44	2.51	2.58
Upside/(Downside)	2%	5%	9%	12.5%	16%	20%	23%

Sources: LLY; Globlex Research

Exhibit 30: LLY's peer comparison (As of 18 August 2026)

Company name	Ticker	BF P/E	BF EV/EBITDA	BF EV/EBIT	BF EV/Rev	LF P/BV
Merck & Co Inc	MRK US	19.41	14.84	17.29	5.53	8.00
Pfizer Inc	PFE US	9.18	8.75	9.59	3.37	1.80
Johnson & Johnson	JNJ US	21.39	16.47	18.69	6.25	7.44
AbbVie Inc	ABBV US	16.27	12.88	14.54	7.09	119.11
Bristol-Myers Squibb Co	BMY US	9.62	8.16	9.35	3.39	5.92
Roche Holding AG	ROP SW	16.76	12.06	13.68	4.88	8.68
AstraZeneca PLC	AZN LN	14.20	11.48	12.28	4.13	4.83
Novartis AG	NOVN SW	16.09	14.12	16.07	5.92	6.97
GSK PLC	GSK LN	9.98	7.36	8.50	2.56	4.20
Sanofi SA	SAN FP	8.66	7.03	7.80	2.15	1.33
Novo Nordisk A/S	NOVOB DC	13.45	9.74	11.42	4.66	5.89
Eli Lilly & Co	LLY US	27.46	22.97	24.57	11.96	32.89
Mean (Including LLY US)		15.21	12.15	13.65	5.16	17.25
Current Premium to Comps Mean		81%	89%	80%	132%	91%

Sources: Bloomberg; Globlex research

Exhibit 31: Rationale of each scenario

Scenario	Rationale
Base	Mounjaro/Zepbound sustain their current penetration curve into Medicare's GLP-1 Bridge and the Medicaid BALANCE model as scheduled, Foundayo launches and ramps on our expected timeline, retatrutide reaches roughly USD5b by 2028E, and gross margin drifts modestly higher (+15bps/year) as in-house manufacturing and mix shift toward Foundayo roughly offset Medicare/Medicaid pricing pressure. This is our central case — the pipeline and channel-access catalysts in Drivers 1-3 land broadly as guided.
Bear	Medicare/Medicaid channel uptake disappoints or is delayed, pricing pressure from IRA-style negotiation bites harder than assumed, and Foundayo's conversion from injectable to oral is slower than expected. Ebglyss, Omvoh, Kisunla, Jaypirca and Retevmo all underdeliver versus our base growth assumptions, retatrutide's 2028E contribution is cut to roughly USD2b on a delayed or smaller launch, and gross margin holds flat rather than expanding, since pricing pressure isn't offset by any mix or cost tailwind.
Bull	Channel access (Medicare Bridge, Medicaid BALANCE, international markets) ramps faster than guided, aesthetic/cosmetic-use demand adds an unmodeled tailwind to the GLP-1 franchise, and Foundayo takes oral share faster than our base case assumes. The non-GLP-1 pipeline — Ebglyss, Omvoh, Kisunla in particular — outperforms, retatrutide's 2028E contribution scales to roughly USD8b on earlier approval or a bigger launch, and gross margin expands further on scale and mix. This is the case where the R&D/acquisition engine in Driver 3 pays off faster than the base timeline assumes.

Sources: Globlex research

Balance sheet (USD m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets					
Cash & ST investment	3,268	7,268	11,259	27,484	49,442
Account receivable	10,659	17,760	23,941	27,602	31,449
Inventories	7,589	13,744	17,482	19,904	22,391
Others	11,224	16,857	22,724	26,199	29,850
Non-current assets					
Net fixed assets	17,103	24,674	30,341	34,958	38,931
Others	28,872	32,173	47,848	54,732	60,626
Total Assets	**78,715**	**112,476**	**153,594**	**190,879**	**232,689**
Current liabilities					
Account payable	3,229	5,379	6,842	7,790	8,763
ST borrowing	5,293	1,857	1,820	1,783	1,748
Others	19,854	27,992	37,734	43,504	49,568
Long-term liabilities					
Long-term debts	29,498	42,008	45,807	44,226	41,804
Others	6,569	8,705	8,705	8,705	8,705
Total liabilities	**64,443**	**85,941**	**100,908**	**106,009**	**110,587**
Paid-up capital	592	590	590	590	590
Retained earnings	13,545	24,470	50,621	82,805	120,037
Others	135	1,475	1,475	1,475	1,475
Minority interest	0	0	0	0	0
Shareholders' equity	**14,272**	**26,535**	**52,686**	**84,870**	**122,102**

Profit & loss (USD m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Revenue	**45,043**	**65,179**	**87,862**	**101,299**	**115,418**
Cost of goods sold	(8,418)	(11,052)	(14,058)	(16,005)	(18,005)
Gross profit	**36,625**	**54,127**	**73,804**	**85,294**	**97,412**
Operating expenses	(19,585)	(24,431)	(32,264)	(34,361)	(38,689)
Operating profit	**17,040**	**29,696**	**41,541**	**50,932**	**58,723**
EBIT	**17,040**	**29,696**	**41,541**	**50,932**	**58,723**
Depreciation	(1,767)	(1,997)	(2,492)	(2,889)	(3,227)
EBITDA	**18,807**	**31,693**	**44,033**	**53,822**	**61,950**
Non-operating income	**(3,084)**	**(2,778)**	**140**	**147**	**154**
Other incomes	0	0	0	0	0
Other non-op income	(3,084)	(2,778)	140	147	154
Non-operating expense	**(781)**	**(895)**	**(1,041)**	**(1,065)**	**(1,019)**
Interest expense	(781)	(895)	(1,041)	(1,065)	(1,019)
Other non-op expense	0	0	0	0	0
Equity income/(loss)	(495)	(292)	0	0	0
Pre-tax Profit	**12,680**	**25,731**	**40,640**	**50,014**	**57,859**
Extraordinary items					
Current taxation	(2,090)	(5,091)	(7,951)	(9,784)	(11,319)
Minorities	0	0	0	0	0
Net Profit	**10,590**	**20,640**	**32,689**	**40,229**	**46,540**
Core net profit	**13,721**	**23,520**	**32,689**	**40,229**	**46,540**
EPS (USD)	**11.71**	**22.95**	**36.35**	**44.73**	**51.75**
Core EPS (USD)	**15.18**	**26.15**	**36.35**	**44.73**	**51.75**

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)					
Sales	32.0	44.7	34.8	15.3	13.9
Operating profit	65.0	74.3	39.9	22.6	15.3
EBITDA	58.7	68.5	38.9	22.2	15.1
Net profit	102.1	94.9	58.4	23.1	15.7
Core net profit	66.0	71.4	39.0	23.1	15.7
EPS	102	96	58.4	23.1	15.7
Core EPS	66	72	39.0	23.1	15.7
Profitability (%)					
Gross margin	81.3	83.0	84.0	84.2	84.4
Operation margin	37.8	45.6	47.3	50.3	50.9
EBITDA margin	41.8	48.6	50.1	53.1	53.7
Net margin	23.5	31.7	37.2	39.7	40.3
ROE	84.6	101.2	82.5	58.5	45.0
ROA	14.8	21.6	24.6	23.4	22.0
Stability					
Interest bearing debt/equity (x)	2.4	1.7	0.9	0.5	0.4
Net debt/equity (x)	2.2	1.4	0.7	0.2	n.a.
Interest coverage (x)	n.a.	n.a.	n.a.	n.a.	n.a.
Interest & ST debt coverage (x)	n.a.	n.a.	n.a.	n.a.	n.a.
Cash flow interest coverage (x)	0.1	0.0	0.1	0.2	0.2
Current ratio (x)	1.2	1.6	1.6	1.9	2.2
Quick ratio (x)	0.5	0.7	0.8	1.0	1.3
Net debt (USD m)	31,523	36,597	36,368	18,526	(5,890)
Activity					
Asset turnover (X)	0.47	0.38	0.46	0.72	1.49
Days receivables	86.4	99.5	99.5	99.5	0.0
Days inventory	329.1	453.9	453.9	453.9	0.0
Days payable	140.0	177.6	177.6	177.6	0.0
Cash cycle days	275.4	375.7	375.7	375.7	0.0

Cash flow (USD m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Operating cash flow	**3,912**	**3,534**	**14,304**	**20,306**	**23,795**
Net profit	10,590	20,640	32,689	40,229	46,540
Depre.& amortization	1,767	1,997	2,492	2,889	3,227
Change in working capital	(3,978)	(8,601)	(4,581)	(2,840)	(2,949)
Others	(4,466)	(10,502)	(16,296)	(19,973)	(23,023)
Investment cash flow	**(23,218)**	**(47,386)**	**(1,392)**	**18,382**	**26,524**
Net CAPEX	(5,956)	(9,568)	(8,159)	(7,507)	(7,200)
Change in LT investment	(17,262)	(37,818)	6,767	25,888	33,724
Change in other assets					
Free cash flow	**(19,306)**	**(43,852)**	**12,912**	**38,688**	**50,319**
Financing cash flow	**19,755**	**47,852**	**(8,921)**	**(22,462)**	**(28,361)**
Change in share capital	187	(95)	0	0	0
Net change in debt	(92)	0	0	0	0
Dividend paid	(4,680)	(5,384)	(6,538)	(8,046)	(9,308)
Others	24,340	53,331	(2,383)	(14,417)	(19,053)
Net cash flow	**449**	**4,000**	**3,991**	**16,225**	**21,958**
Per share (USD)					
EPS	11.71	22.95	36.35	44.73	51.75
Core EPS	15.18	26.15	36.35	44.73	51.75
CFPS	13.68	25.04	39.12	47.95	55.34
BVPS	15.80	29.35	58.59	94.37	135.77
Sales/share	49.87	72.09	97.70	112.64	128.34
EBITDA/share	20.82	35.05	48.96	59.85	68.89
DPS	5.18	5.99	7.27	8.95	10.35
Valuation					
P/E (x)	1.9	46.8	35.2	28.6	24.7
P/BV (x)	1.4	36.4	21.8	13.6	9.4
Dividend yield (%)	23.2	0.6	0.6	0.7	0.8
Divdend payout ratio (%)	44.2	26.1	20.0	20.0	20.0

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Analyst Certification

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY: Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.
* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

Overweight: The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.