

**Valuation & Research Specialists (VRS)**  
Equity Research Team  
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**Share Price (8/5/2015)**  
NYSE, in USD \$73.26

<b># of Shares (mn)</b>	1,109.74
<b>Market Cap (in USD mn)</b>	81,299.55
<b>A.D. Volume (p)</b>	4,262,214
<b>Beta Co-efficient</b>	0.64
<b>Statistical Data</b>	
<b>Max 52 week, USD</b>	76.36 USD
<b>Min 52 week, USD</b>	58.21 USD
<b>1-M Rtn</b>	1.54%
<b>6-M Rtn</b>	7.97%
<b>12-M Rtn</b>	23.42%

Source: VRS Calculations, Reuters.

## Stock Price Performance (1 year, in USD)



Note: Share price performance based on share price closes on NYSE.  
Period as day/month/year.

## ELI LILLY

Listed on New York Stock Exchange (NYSE), USA

[Bloomberg Ticker: LLY:US] [Reuters Ticker: LLY.N]

**Business Sector: Health Care, Industry: Biotech & Pharma**

### Corporate & Investment Highlights

- Eli Lilly and Company was established in 1876. It discovers, develops, manufactures, and sells products in two business segments, human pharmaceutical products and animal health products. Its manufacturing facilities are located in the United States, Puerto Rico and 11 other countries.
- In 2014, its net income decreased significantly related to 2013 net income due to lower sales of Cymbalta and Evista following U.S. patent expirations. However, Eli Lilly and Company launched three new medicines to treat diabetes and cancer and gained approval for a fourth one. These actions are aligned with the company plan laid down in 2009 aiming at the problem of patent expirations. Moreover, in January 2015, the acquisition of Novartis Animal Health by Eli Lilly subsidiary, Elanco, was completed contributing to the growth of animal health business segment.

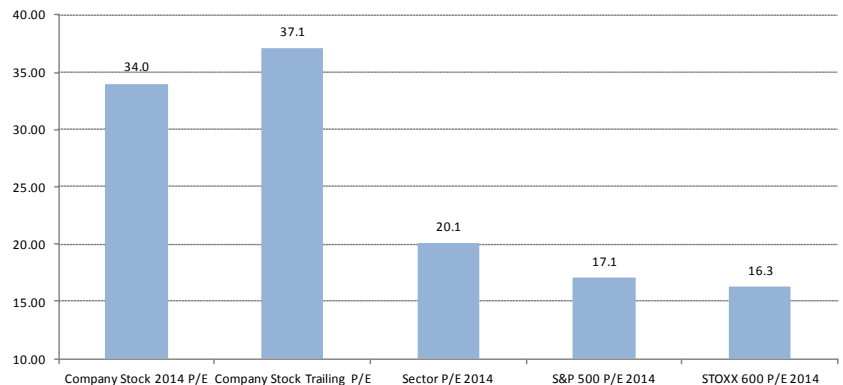
[As of the date of this report, the latest available financial statements of the Company/Group were of the Q1 2015.]

### 1st Quarter 2015 Consolidated Results

(USD million)	3M 2015	%	3M 2014
Revenues	4,644.7	-0.82%	4,683.1
EAT (Net Income)	529.5	-27.26%	727.9

Source: The Company.

### Company Historic P/E Multiple versus Market P/E Multiples (x)



Source: VRS calculations based on consolidated IFRS accounts, FACTSET.

### Important Note:

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# Company Report

**FLASH NOTE**  
May 8, 2015

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**Business Sector: Health Care, Industry: Biotech & Pharma**

### BASIC FINANCIAL INDICATORS

(in USD mn)	Sales	EBITDA	EBT	EATAM	P/E (x)	P/BV (x)	EV/EBITDA (x)	DEBT/EQUITY (x)	ROE %
<b>2009</b>	21,836.0	7,577.8	5,357.8	4,328.8	18.8	8.5	11.0	0.7	45%
<b>2010</b>	23,076.0	8,050.4	6,525.2	5,069.5	16.0	6.5	10.2	0.6	41%
<b>2011</b>	24,286.5	7,303.5	5,349.5	4,347.7	18.7	6.0	11.3	0.5	32%
<b>2012</b>	22,603.4	6,477.5	5,408.2	4,088.6	19.9	5.5	12.8	0.4	28%
<b>2013</b>	23,113.1	6,936.6	5,889.3	4,684.8	17.4	4.6	11.9	0.3	27%
<b>2014</b>	19,615.6	4,507.5	3,000.3	2,390.5	34.0	5.3	19.0	0.5	16%

Notes: (1) EATAM and equity are calculated excluding minorities. (2) P/E, P/BV and EV/EBITDA are based on current share price. Source: Official Consolidated Financial Statements, VRS Calculations. n/c stands for non calculable.

### Working Capital Ratios

in USD million	2009	2010	2011	2012	2013	2014	
Revenues	USD mn	21,836.00	23,076.00	24,286.50	22,603.40	23,113.10	19,615.60
Cost (net of depreciation)	USD mn	4,247.00	4,366.20	5,067.90	4,796.50	4,908.10	4,932.50
Gross Profit Margin	%	77.41%	81.08%	79.13%	78.78%	78.76%	74.85%
Net Income / Profit	USD mn	4,328.80	5,069.50	4,347.70	4,088.60	4,684.80	2,390.50
Net Profit Margin	%	19.8%	22.0%	17.9%	18.1%	20.3%	12.2%
Cash & Cash Equivalents	USD mn	4,462.90	5,993.20	5,922.50	4,018.80	3,830.20	3,871.60

### Stock Days

Days	211	210	166	201	218	203	
Stock Inventory	USD mn	2,849.90	2,517.70	2,299.80	2,643.80	2,928.80	2,740.00

### Debtors Days

Days	56	55	54	54	54	60	
Debtors - Receivables	USD mn	3,343.30	3,493.80	3,597.70	3,336.30	3,434.40	3,234.60

### Creditors Days

Days	83	90	81	90	83	83	
Creditors - Suppliers	USD mn	968.10	1,072.20	1,125.20	1,188.30	1,119.30	1,128.10

### Operating Cycle (Days)

Days	267	266	220	255	272	263	
Cash Cycle (Days)	Days	184	176	139	165	189	179

Source: Official Consolidated Financial Statements, VRS Calculations. Gross profit is calculated by deducting cost of sales (net of depreciation, wherever applicable) from revenues.

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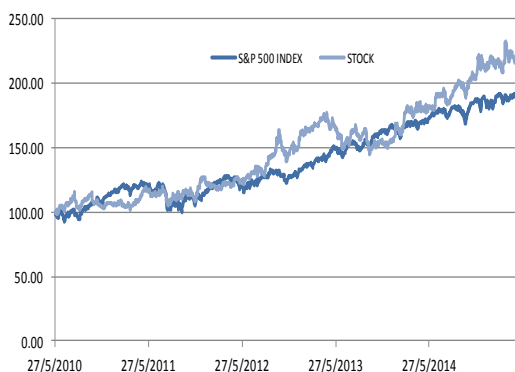
### Group Sales Breakdown Period 2010 – 2014, Per Therapeutic Area

USD million, consolidated figures

	2014	2013	2012	2011	2010
<b>Neuroscience</b>	3,596.5	7,216.2	7,575.1	9,723.8	9,419.0
Sales					
<b>Endocrinology</b>	6,939.0	7,304.4	6,810.9	6,806.7	6,135.4
Sales					
<b>Oncology</b>	3,393.0	3,268.5	3,281.6	3,322.2	3,744.5
Sales					
<b>Cardiovascular</b>	3,053.5	2,923.2	2,632.5	2,486.4	2,171.3
Sales					
<b>Other Pharmaceutical</b>	287.0	249.3	266.8	268.9	1,391.4
Sales					
<b>Animal Health</b>	2,346.6	2,151.5	2,036.5	1,678.6	214.4
Sales					
<b>Total</b>	<b>19,615.6</b>	<b>23,113.1</b>	<b>22,603.4</b>	<b>24,286.6</b>	<b>23,076.0</b>
Sales					

Source: The Company.

### Stock Versus S&P 500 Index (Last 5 Years, Base = 100)



Note: Data based on price closes. Period as day/month/year.

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Covered Company	Bloomberg	Reuters	Stock Price	Date	Disclosure
ELI LILLY & CO	LLY:US	LLY.N	73.26	May 8, 2015	----

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2. VRS has sent the research report to the covered company, prior to publication or dissemination, for factual verification.
3. VRS has changed the contents of the initially sent report, with respect to: factual changes have been made.
4. VRS has received compensation from the covered company for the preparation of this research report.
5. VRS produces research reports for this company on systematic basis.
6. VRS produces research reports for this company on demand basis.
7. VRS has produced a research report for this company within the past 12 months.

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