

What Eli Lilly and Company's 2025 Form 10-K assumes, believes and expects

Source: Eli Lilly and Company - Form 10-K, 2025 (209 pages). Public document.

Five assumptions worth your attention

These claims are not fully argued for directly, but the strategy depends on them.

Demand for Mounjaro and Zepbound will remain strong enough to support a business increasingly concentrated in incretin medicines.

Why it matters: The report says Mounjaro and Zepbound accounted for 56 percent of 2025 revenue and expects cardiometabolic products to remain a significant and growing part of the business. A sustained demand or access reversal would therefore affect the whole company, not just one product line.

What would prove or disprove it: Track quarterly Mounjaro and Zepbound revenue, prescription or volume trends, realized prices, and their combined share of total revenue.

Manufacturing expansion will come online in time to meet demand without creating costly delays, quality problems or excess capacity.

Why it matters: Lilly says it has undertaken significant manufacturing expansion to support anticipated demand and expects additional capacity to become operational over the next several years. The report also warns that manufacturing difficulties, regulatory findings and third-party failures can cause shortages, delays, and capital expenditure that does not deliver its intended benefit.

What would prove or disprove it: Compare announced capacity start dates with actual qualified output, product availability, manufacturing costs and any regulatory observations or supply interruptions.

Expanded access from U.S. drug-pricing agreements will generate enough additional volume to offset price concessions.

Why it matters: The company says its preliminary 2025 agreements include lower prices and expanded access to obesity medicines, while explicitly warning that added access may not generate enough revenue to offset concessions. This makes the volume response, not access alone, central to the economic case.

What would prove or disprove it: Compare realized net prices, eligible patient access and incremental sales under the definitive agreements with the revenue impact of price concessions.

The development pipeline will replenish commercial revenue as products face competition, price pressure and loss of exclusivity.

Why it matters: Lilly states that long-term success depends on discovering or acquiring, developing and commercializing innovative medicines. The report also describes high development failure rates and uncertain timing and costs, while Mounjaro and Zepbound already account for 56 percent of 2025 revenue.

What would prove or disprove it: Track approvals, launch uptake and net sales from new products against revenue erosion from exclusivity loss, competitive entry and price reductions.

Lilly can sustain high growth while navigating payer power, government price setting and global pricing concessions without a material deterioration in returns.

Why it matters: Revenue rose to \$65,179 million in 2025, but the company reports that U.S. volume growth was partly offset by lower realized prices and that government-set prices and payer negotiations can accelerate erosion. The growth case therefore depends on volume and product mix compensating for continuing pricing pressure.

What would prove or disprove it: Monitor revenue growth alongside realized price changes, gross margin percentage, rebate liabilities and the financial effects of government price-setting programs.

The fuller list

Sorted by how the document itself frames each claim.

Category	Claim	Source
<i>Stated outright</i>	Lilly expects cardiometabolic health products to remain a significant and growing portion of its business, revenues and prospects.	<i>MD&A;,, Incretin Medicines</i>
<i>Stated outright</i>	The company believes available cash, operating cash flow and borrowing access are sufficient to fund existing and planned capital requirements.	<i>MD&A;,, Financial Condition</i>
<i>Stated outright</i>	Lilly believes its sales rebate, discount and return accruals are reasonable and appropriate based on current facts and circumstances.	<i>MD&A;,, Critical Accounting Estimates</i>
<i>Stated outright</i>	Lilly believes long-term competitive success depends on innovative, cost-effective medicines that improve patient outcomes and deliver value to payers.	<i>Business, Competition</i>
<i>Stated outright (risk framing)</i>	The company warns that U.S. and global cost-containment measures may continue to pressure product pricing, reimbursement and access.	<i>MD&A;,, Pricing and Access</i>
<i>Stated outright (risk framing)</i>	Lilly says the high failure rate and uncertain timing, costs and revenue of drug development may prevent pipeline projects from becoming commercially successful.	<i>MD&A;,, Clinical Pipeline</i>
<i>Stated outright (risk framing)</i>	The company warns that concentration in a relatively few products and a consolidated supply chain can make disruptions or competitive shifts material.	<i>Forward-Looking Statements</i>
<i>Stated outright (risk framing)</i>	Lilly says patent challenges, weakening intellectual-property protection and generic or biosimilar competition can rapidly erode product revenue.	<i>Business, Intellectual Property</i>
<i>Partly third-party</i>	The report relies on U.S. government drug-price selections and announced policy requirements to describe future pricing effects; these are external policy actions, not Lilly forecasts.	<i>MD&A;,, Pricing and Access</i>
<i>Partly third-party</i>	The report describes regulatory review and priority-voucher decisions by the FDA as possible influences on product approval timing, rather than guaranteed launch dates.	<i>Business, Pipeline</i>

Category	Claim	Source
<i>Asserted, no evidence shown</i>	Lilly says its purpose is to unite caring with discovery to create medicines that make life better, without defining a measurable test for that purpose in this report.	<i>Business, Overview</i>
<i>Asserted, no evidence shown</i>	The company presents business development as a way to enhance its pipeline and strengthen the business, although the eventual commercial success of acquired assets remains uncertain.	<i>MD&A, Acquisitions</i>
<i>Aspiration, no numbers</i>	Lilly aims to continually discover or acquire, develop and commercialize innovative medicines as the basis of long-term success.	<i>Business, Overview</i>
<i>Aspiration, no numbers</i>	The company seeks to expand access to medicines while balancing affordability, patient access and sustainable commercial returns.	<i>MD&A, Pricing and Access</i>
<i>Implicit, derived from the figures</i>	The growth profile depends heavily on two incretin products: Mounjaro and Zepbound generated 56 percent of 2025 revenue, so their trajectory can dominate consolidated results.	<i>MD&A, Incretin Medicines</i>
<i>Implicit, derived from the figures</i>	The company assumes volume growth can offset lower realized prices; U.S. revenue grew 43 percent in 2025 while price reduced the reported change by 10 percentage points.	<i>MD&A, Revenue</i>
<i>Implicit, derived from the figures</i>	The reported growth in sales rebates and discounts leaves net revenue sensitive to estimation: a 5 percent change in the consolidated liability would change revenue by approximately \$897 million.	<i>MD&A, Critical Accounting Estimates</i>
<i>Implicit, derived from the figures</i>	Capacity investment assumes new facilities can be qualified and utilized as anticipated demand materializes; otherwise capital spending may not produce the intended supply or return.	<i>MD&A, Incretin Medicines</i>
<i>Implicit, derived from the figures</i>	Revenue replacement assumes pipeline approvals and launches arrive before established products lose exclusivity or face displacement, despite the report's stated development uncertainty.	<i>Business, Intellectual Property</i>
<i>Implicit, derived from the figures</i>	The global business assumes currency and tax outcomes remain manageable, although translation exposure and changing tax laws can materially affect reported results and cash flows.	<i>MD&A, Tax and Currency</i>

Implicit items are interpretations of the report's own figures and stated dependencies, not claims that the assumptions are true. The report cautions that forward-looking statements are uncertain and may differ from actual results.

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