CLOSER LOOK

MEMORANDUM

Lilly announces $3.5 billion investment into new manufacturing facility in Pennsylvania – February 2, 2026

Facility will focus on injectable manufacturing, including for the triple agonist retatrutide; investment is expected to bring 850 jobs to the area, with the facility opening in 2031

Lilly announced its plans to invest over $3.5 billion in a new manufacturing facility today. The site, based in the Lehigh Valley in eastern Pennsylvania, is intended to produce weight-loss therapies such as Lilly's tirzepatide, a GLP-1/GIP dual agonist. Lilly said that the facility will also produce retatrutide, a GLP-1/GIP/glucagon triple receptor agonist that is currently in development. Construction is expected to begin this year, generating 2,000 jobs, with the site becoming operational in 2031. Through this initiative, Lilly will also create an estimated 850 jobs at the site including engineers, scientists, operations personnel and lab technicians.

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Announcement follows Lilly's investment in three other US manufacturing sites in the past year

In February 2025, Lilly stated its plans to more than double its US manufacturing investment to $50 billion by expanding current facilities and adding four new facilities. Three of the new facilities were earmarked to produce active pharmaceutical ingredients (API), while the fourth facility was planned to be dedicated for future injectable therapies. Over the past year, Lilly has provided detail on the locations of the sites, with the fourth facility likely being the Pennsylvania site announced today.

In early 2025, Lilly discussed its efforts to mitigate the effects of US tariff policies by increasing its US-based manufacturing. Much like other companies, Lilly has seemingly sought to demonstrate its commitment to the US economy through these investments. See below for detail on the other three US manufacturing sites and one expansion.

Date	Details
December 2025	In December, Lilly announced its plans to invest $6 billion in a new active pharmaceutical ingredient (API) manufacturing facility in Huntsville, Alabama. According to Ms. Kay Ivey, Governor of Alabama, this marks "the largest initial investment" in the state's history.
October 2025	In October, Lilly announced its planned investment of more than $1.2 billion to expand and modernize its Lilly del Caribe manufacturing site in Carolina, Puerto Rico. This new investment will integrate advanced technologies and expand production capacity within the existing campus to support the company's growing portfolio of oral solid medicines in cardiometabolic health, neuroscience, oncology and immunology.
September 2025	In September, Lilly announced a $6.5 billion investment in a Texas manufacturing facility. This marks the second of four new facilities encompassed in Lilly's $50 billion investment announced in February 2025. The facility will support production for the company's pipeline of small-molecule therapeutics, including orforglipron, the first once-daily oral GLP-1 RA.

September 2025	In September, Lilly also announced a $5 billion investment in a new manufacturing facility in Goochland County, Virginia, representing the first US site that integrates APIs and drug production. The facility will support its antibody-drug conjugate platform and monoclonal antibody portfolio for cancer and autoimmune diseases.

Lilly has also continually invested in a broad range of partnerships over the past year, demonstrating its strong financial position

In the past six months, Lilly has announced six partnerships spanning a range of therapeutic areas. This emphasizes the company's investment in innovation and signals its financial ability to invest in experimental research. Research topics have spanned AI-enabled biologics discovery to "molecular gate" drugs that eliminate harmful extracellular proteins. See here for further detail on these partnerships.

Retatrutide has recently demonstrated nearly 30% mean weight reduction compared to placebo

Today's clear mention of retatrutide in the manufacturing announcement follows positive results for the therapy announced in December 2025. The topline results were from the phase 3 TRIUMPH-4 trial (n=405) of retatrutide (a triple GLP-1/GIP/glucagon RA) in people with obesity or overweight and osteoarthritis of the knee. At Week 68, retatrutide 12 mg conferred a mean 28.7% weight reduction compared with 2.1% in the placebo group. Notably, this is compared with a mean weight loss of 22.5% on the highest dose of Lilly's Zepbound (tirzepatide) and 15% on the highest dose of Novo Nordisk's Wegovy.

There are seven additional phase 3 trials ongoing. These results, expected later in 2026, will help position retatrutide as a promising candidate for broad indications for obesity, diabetes, and related comorbidities.

Close Concerns' Questions

1. What factors led Lilly to designate three plants for active pharmaceutical ingredients versus one for injectables?
2. Given that orforglipron can be stored and manufactured at scale more easily, what role might this therapy play in these manufacturing facilities?
3. Did Lilly use the same set of criteria in selecting all four locations for the investment, or were different factors prioritized?

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