

# Elanco Update

Taking Action, Delivering Results

February 2021



Delivering Strong Results, Raising Annual Guidance

### February 24, 2021

2021 guidance ranges for **total revenue, adjusted EBITDA** and **adjusted EPS** were raised

**Strong fourth quarter performance** in U.S. Pet Health, U.S. Farm Animal and China Swine, and execution on productivity and innovation agendas



Provided Update on Robust Innovation Pipeline

### February 19, 2021

**Nine of 13** geographic approvals now received to support company's eight key 2021 launches

**2-3 percentage point** contribution to top-line average annual revenue growth expected

By end of 2021  
Expect **\$80M to \$100M** in contribution from new product revenues

By end of 2025  
Expect **\$500M to \$600M** in contribution from new product revenues



Bayer Integration Ahead of Schedule

### January 26, 2021

**2021 Synergies**  
Announced second wave of restructuring actions, follows initial September 2020 wave

**Overall Synergies**  
On-track to deliver **\$300M** in Adj. EBITDA synergies by the end of 2023

**\$160-175M**  
cumulative synergies in 2021

**Deleveraging**  
**\$500M** anticipated gross debt pay down in 2021

**\$40-50M**  
synergies in 2021 from procurement and R&D rationalization

**<3x**  
net leverage by the end of 2023



Outlined Long-Term Value Creation Plan on Investor Day

### December 2020 Investor Day

Investor Day long-term growth algorithm and restructuring actions expected to result in accelerated value creation:

- ~**3%-4%** average annual revenue growth
- Double-digit annual adjusted EBITDA growth and
- Double-digit annual adjusted EPS growth



Refreshed Board and Enhanced Oversight

### December 14, 2020

Added three new Board members, including:

- Investor representative and Founder and Managing Partner of SACHEM Head **Scott Ferguson**
- Distinguished healthcare executive, animal health director and investor **William Doyle**
- Former animal health executive and Bausch Health CFO **Paul Herendeen**

Eight new directors added since 2019

Board expanded innovation and operational oversight through new Innovation, Science and Technology Committee and enhanced scope of Finance Committee

