

2024 Earnings – First Quarter

May 8, 2024

Elanco

Notices and Disclaimers

Forward-Looking Statements. This presentation contains forward-looking statements within the meaning of the federal securities laws, including, without limitation, statements concerning product launches and revenue from such products, our 2024 full year and second quarter guidance and long-term expectations, our expectations regarding debt levels, and expectations regarding our industry and our operations, performance and financial condition, and including, in particular, statements relating to our business, growth strategies, distribution strategies, product development efforts and future expenses. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, our actual results may differ materially from those contemplated by the forward-looking statements. Important risk factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions, including but not limited to the following: operating in a highly competitive industry; the success of our research and development (R&D) and licensing efforts; the impact of disruptive innovations and advances in veterinary medical practices, animal health technologies and alternatives to animal-derived protein; competition from generic products that may be viewed as more cost-effective; changes in regulatory restrictions on the use of antibiotics in farm animals; an outbreak of infectious disease carried by farm animals; risks related to the evaluation of animals; consolidation of our customers and distributors; the impact of increased or decreased sales into our distribution channels resulting in fluctuation in our revenues; our dependence on the success of our top products; our ability to complete acquisitions and divestitures and successfully integrate the businesses we acquire; our ability to implement our business strategies or achieve targeted cost efficiencies and gross margin improvements; manufacturing problems and capacity imbalances; fluctuations in inventory levels in our distribution channels; risks related to the use of artificial intelligence (AI) in our business; our dependence on sophisticated information technology and infrastructure and the impact of breaches of our information technology systems; the impact of weather conditions, including those related to climate change, and the availability of natural resources; demand, supply and operational challenges associated with the effects of a human disease outbreak, epidemic, pandemic or other widespread public health concern; the loss of key personnel or highly skilled employees; adverse effects of labor disputes, strikes and/or work stoppages; the effect of our substantial indebtedness on our business, including restrictions in our debt agreements that limit our operating flexibility, changes in our credit ratings that lead to higher borrowing expenses and may restrict access to credit and changes in interest rates that may adversely affect our earnings and cash flows; changes in interest rates; risks related to the write-down of goodwill or identifiable intangible assets; the lack of availability or significant increases in the cost of raw materials; risks related to our presence in foreign markets; risks related to currency rate fluctuations; risks related to underfunded pension plan liabilities; our current plans not to pay dividends and restrictions on our ability to pay dividends; the potential impact that actions by activist shareholders could have on the pursuit of our business strategies; risks related to certain governance provisions in our constituent documents; risks related to tax expense or exposure; actions by regulatory bodies, including as a result of their interpretation of studies on product safety; the possible slowing or cessation of acceptance and/or adoption of our farm animal sustainability initiatives; the impact of increased regulation or decreased governmental financial support related to the raising, processing or consumption of farm animals; risks related to the modification of foreign trade policy; the impact of litigation, regulatory investigations, and other legal matters, including the risk to our reputation and the risk that our insurance policies may be insufficient to protect us from the impact of such matters; challenges to our intellectual property rights or our alleged violation of rights of others; misuse, off-label or counterfeiting use of our products; unanticipated safety, quality or efficacy concerns and the impact of identified concerns associated with our products; insufficient insurance coverage against hazards and claims; compliance with privacy laws and security of information; and risks related to environmental, health and safety laws and regulations. For additional information about the factors that could cause actual results to differ materially from forward-looking statements, please see our latest Form 10-K and subsequent Form 10-Qs filed with the Securities and Exchange Commission. We undertake no duty to update forward-looking statements.

Non-GAAP Financial Measures. This presentation contains non-GAAP financial measures, such as revenue excluding the impact of foreign exchange rate effects, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, adjusted net income (loss), adjusted EPS, adjusted gross profit, adjusted gross margin, net debt and net debt leverage, which we use to assess and analyze our operational results and trends. Reconciliation of non-GAAP financial measures and reported GAAP financial measures are included in the tables in the appendix to this presentation and are posted on our website at www.elanco.com. These non-GAAP measures are not, and should not be viewed as, substitutes for U.S. GAAP reported measures.

Notes. Financial results in the first quarter of 2023 benefited from customer purchases of legacy Bayer Animal Health products that the company believes were shifted from the second quarter of 2023 into the first quarter as a result of communicated commercial shipping blackout periods in April resulting from the company's ERP system integration. Results excluding this impact and excluding the impact of foreign exchange rates are referred to as the company's underlying business in this presentation.

On Today's Call

Jeff Simmons

Elanco Animal Health
*President and Chief
Executive Officer*



Todd Young

Elanco Animal Health
*Executive Vice President,
Chief Financial Officer*



Topline Growth Continues, Confidence in 2024 and Innovation

Q1 2024 vs Guidance¹

- ✓ Revenue **+\$33M**
- ✓ Adj EBITDA² **+\$29M**
- ✓ Adj EPS² **+\$0.08**

¹Results compared to the midpoint of the company's first quarter guidance provided February 26, 2024.

²Non-GAAP financial measures. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.

³Constant Currency (CC) is a non-GAAP financial measure, representing revenue growth excluding the impact of foreign exchange rates.

⁴Expected trade name upon approval. Bovaer® is a trademark of dsm-firmenich.



Momentum & Execution on Topline

Excluding the ERP blackout in 2023, Q1 CC³ growth estimated at 3%-5%, building on 5% CC revenue growth in Q3 and Q4 of 2023



Confidence in Innovation

Innovation revenue of \$100M in Q1; Expect Bovaer^{®4} clearance before end of May; Expect Zenrelia^{™4} and Credelio Quattro^{™4} full approval in Q3 and with H2 revenue contribution



Focus on Cash & Debt

Operating cash flow improved \$147M YOY; reduced net debt and balance sheet inventory in Q1. Aqua sale on-track to close around midyear



Improved Expectations for CC Growth

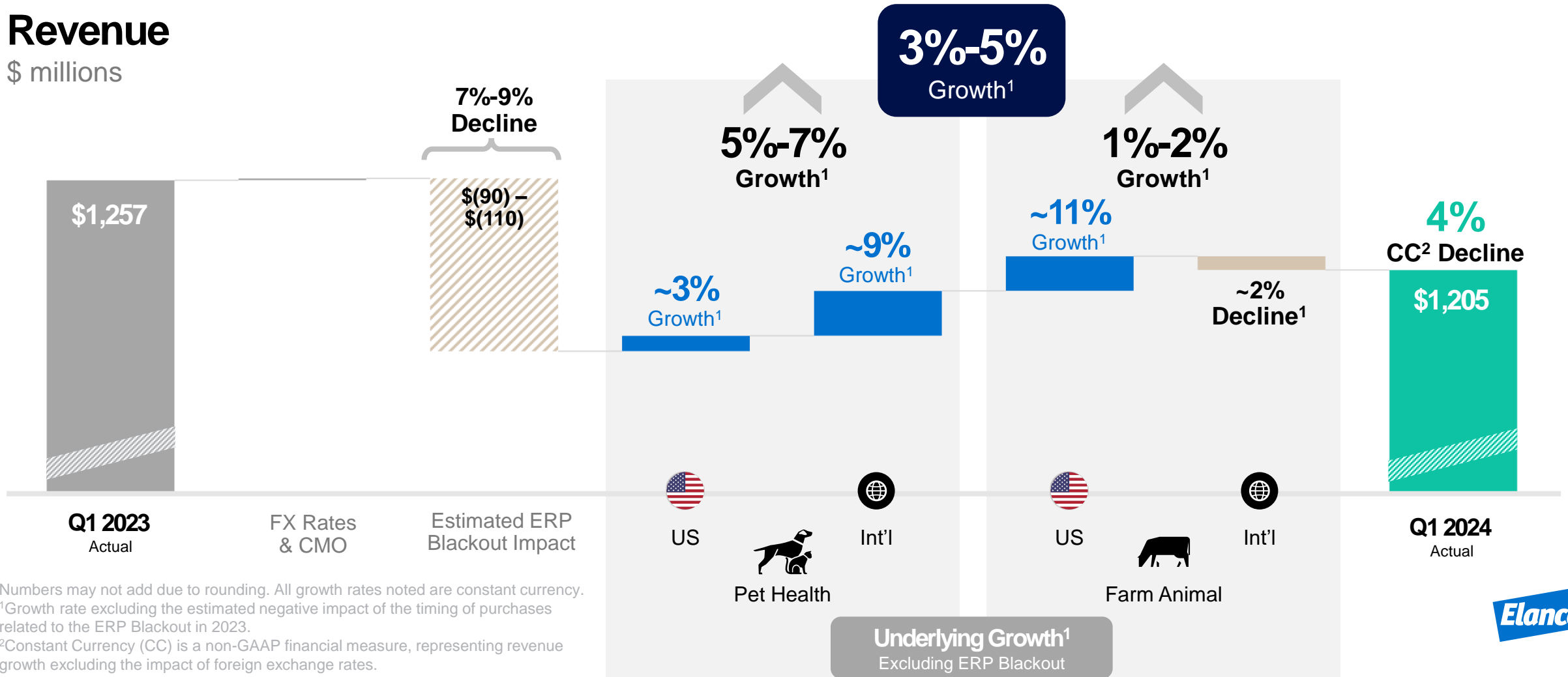
Full year CC revenue growth increased to 2%-3%; updating all key metrics for FX, with adjusted EPS increasing

Q1 2023 to Q1 2024 Revenue Bridge

Underlying Revenue Growth Estimated at 3% to 5%¹, Building on Momentum from 5% growth in H2 2024

Revenue

\$ millions



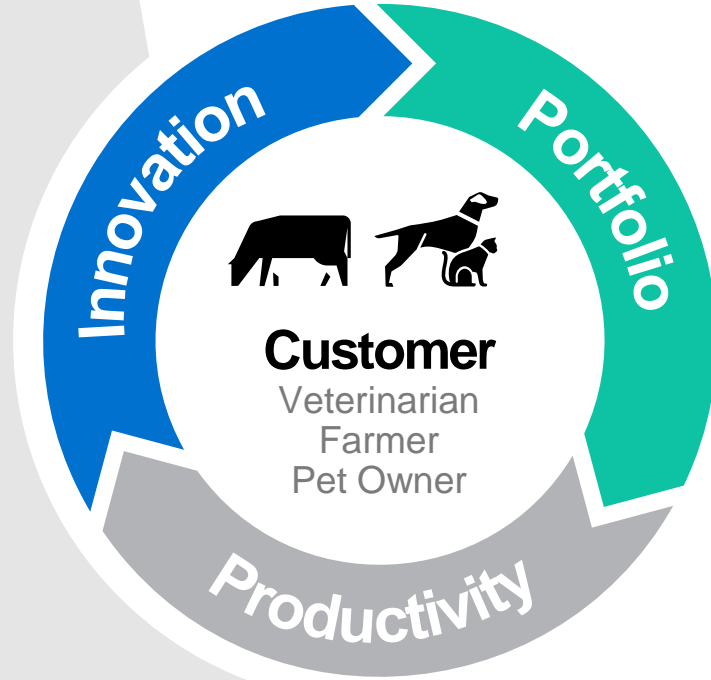
Numbers may not add due to rounding. All growth rates noted are constant currency.

¹Growth rate excluding the estimated negative impact of the timing of purchases related to the ERP Blackout in 2023.

²Constant Currency (CC) is a non-GAAP financial measure, representing revenue growth excluding the impact of foreign exchange rates.

IPP Innovation, Portfolio, Productivity

Q1 2024 Highlights



Innovation

Innovation Sales
delivered \$100M in Q1, or 4ppt of growth, led by Experior and AdTab

Bovaer® clearance expected before end of May as the carbon credit marketplace continues to develop

Zenrelia™ and Credelio Quattro™ full approval expected in Q3 2024, peak sales expectations intact

Portfolio

Price Growth
Q1 growth of 2%, led by 3% in Pet Health globally

Portfolio Value in U.S. Farm Animal
demand for livestock sustainability products driving sales growth for Rumensin

Core Business
continues to stabilize with sequentially improving YOY volume performance over the last 3 quarters, excluding ERP Blackout

Productivity






















Working Capital
focus delivered \$147M YOY improvement in operating CF, net debt reduction in Q1





Q1 Restructuring
progressing in-line with expectations to deliver \$20M to \$25M of savings, primarily in H2 of 2024

Aqua Sale
remains on track to close around midyear, with net proceeds of \$1.05B to \$1.1B to be used for debt paydown

Historic innovation launch window through 2025

Progress and Outlook for Elanco's Next Era of Growth

Asset	Primary Regulator	Species	Initial Submission ¹	Approval ²	Launch ¹	Peak Sales Opportunity ³	Commentary
Experior Ammonia Reduction	FDA (Rx)						First-in-class
Bexacat SGLT-2 Diabetes	FDA (Rx)			Q4 2022	Q1 2023		First-in-class
Canine Parvovirus Monoclonal AB (CPMA)	USDA (Rx)			Q2 2023 <i>conditional</i>	Q3 2023		First-in-class; Monoclonal AB
K9 Advantix Flea/Tick	EPA (OTC)			Q1 2023	Q1 2023		Establishes Elanco presence in "value" OTC category
Advantage Flea	EPA (OTC)			Q1 2023	Q2 2023		
AdTab Oral Flea/Tick	EMA (OTC)			Q2 2023	Q2 2023		Establishes Elanco presence in emerging EU OTC Oral F/T
Credelio Quattro™⁴ Endecto Parasiticide	FDA (Rx)		Q4 2022	Tech Sections: Q2 2024 Full U.S. Approval: Q3 2024	Q4 2024		Differentiated
Zenrelia™⁴ Dermatology	FDA (Rx)		Q4 2022	Tech Sections: Q2 2024 Full U.S. Approval: Q3 2024	Q3 2024		Differentiated;  OUS approvals expected to begin in late 2024
Bovaer®⁴ Methane Reduction	FDA		Q4 2022	Q2 2024	Q3 2024		First-in-class
IL-31 SA Antibody Dermatology	USDA (Rx)		Q1 2023	2025			Differentiated; Monoclonal AB

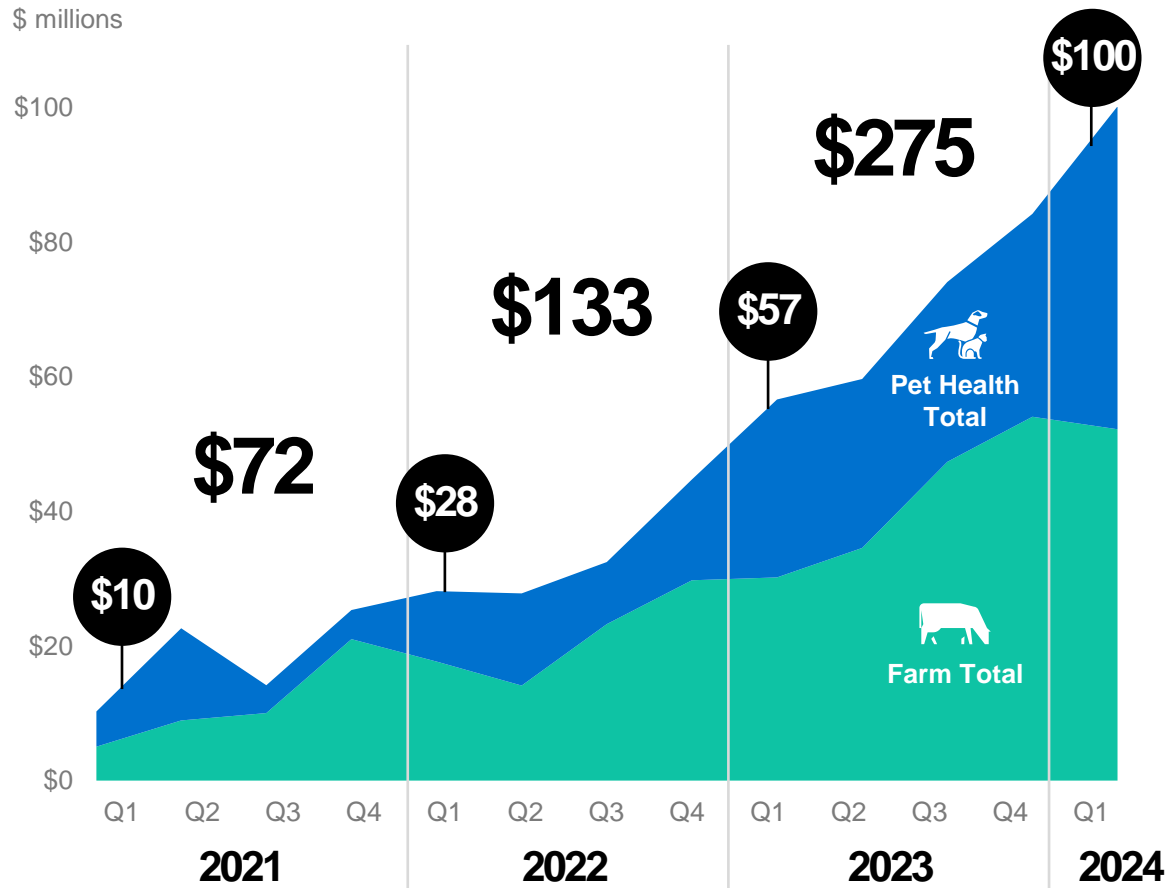
 \$10-\$49M  \$50-\$99M  ≥\$100M  Update since Q4 2023 Earnings Call

¹Expected submission and launch timing is based on internal estimates and could change as programs evolve. ²Potential approval timing is subject to regulatory agency outcomes.



³Potential peak sales represent the level of annual sales expected for a product on a global basis at its peak. ⁴Expected trade name upon approval.

Innovation revenue tracking in-line with expectations

On-Track to Deliver \$600M-\$700M Contribution in 2025



Key Product Launches

	Pet Health 	Farm Animal 
2021	Credelio PLUS, Credelio CAT (lotilaner), Elura (capromorelin oral solution)	Elanco Exporior, Elanco Increxa (ceftriaxone injection), Elanco ZooShield
2022	Advantage XD, Zorbium (buprenorphine transdermal solution)	
2023	Bexacat (bexagliflozin tablets), AdTab (chewable tablets), Canine Parvovirus Monoclonal Antibody, K9 Advantix, Advantage	NutriQuest
2024-2025 Expected ¹	Zenrelia™, Credelio Quattro™, IL-31 Dermatology	Bovaer®, Elanco Pradalex (pradofloxacin injection), Elanco Prevacent (PRRS)

¹Expected launch timing is based on regulatory timelines and internal timeline estimates for regulatory, manufacturing and supply chain.

Note: Expected innovation revenue of \$600M to \$700M is incremental in reference to 2020 sales and does not include the expected impact of cannibalization on the base portfolio. Innovation revenue refers to sales from new products, lifecycle management and certain geographic expansions and business development transactions.

Confident in U.S. Approval Timing of Key Innovation Products

Zenrelia



A JAK Inhibitor targeting control of pruritus and atopic dermatitis in dogs

Continue to expect differentiation to current market option; prioritizing label optimization

Technical Section Approval

Expect all technical sections, including label, will be approved by FDA before end of June

Full FDA approval

Expect in Q3 2024 after 60-day NADA final administrative review

U.S. Launch

Targeting Q3 2024

Credelio Quattro



A broad spectrum oral parasiticide covering fleas, ticks and internal parasites

Expected differentiation: Efficacy (tapeworm coverage and heartworm prevention after 1 month)

Technical Section Approval

Expect all technical sections, including label, will be approved by FDA before end of June

Full FDA approval

Expect in Q3 2024 after 60-day NADA final administrative review

U.S. Launch

Targeting Q4 2024

Bovaer



A first-in-class methane reducing feed ingredient for cattle (Dairy)

Completion of FDA Review

Expect before the end of May

Next steps to commercialize for

Elanco

- 1 Dairies activated in UpLook™ ✓
- 2 Bovaer state registrations

Producers

- 1 Incentive funds activated
- 2 CPGs engage in carbon inset market

Financial Results

First Quarter 2024



First Quarter 2024

Impact of Price, Rate, and Volume on Revenue

	Revenue	Price	FX Rate	Volume	Total	CC ¹ Change
Pet Health	\$639	3 %	0 %	(8)%	(5)%	(5)%
Cattle	\$244		0 %		(2)%	(2)%
Poultry	\$197		0 %		8 %	8 %
Swine	\$84		(1)%		(18)%	(17)%
Aqua	\$31		(3)%		(23)%	(20)%
Farm Animal	\$556	0 %	0 %	(3)%	(3)%	(3)%
Contract Manufacturing	\$10		(1) %		11 %	12 %
Total Elanco	\$1,205	2 %	0 %	(6)%	(4)%	(4)%

Note: Reported revenue in millions. Numbers may not add due to rounding. Growth rates on this slide are negatively impacted by the estimated impact of the ERP Blackout in 2023 as noted on slide 2.
¹Constant Currency (CC) is a non-GAAP financial measure, representing revenue growth excluding the impact of foreign exchange rates.

First Quarter 2024

Revenue by Geography and Species

	2024	2023	Change	CC ¹ Change	Estimated ERP Blackout Impact
US Pet Health	\$333	\$361	\$(28)	(8)%	~(11)%
Int'l Pet Health	\$306	\$314	\$(8)	(3)%	~(12)%
Total Pet Health	\$639	\$675	\$(36)	(5)%	(10)% to (12)%
US Farm Animal	\$197	\$182	\$15	8 %	~(3)%
Int'l Farm Animal	\$360	\$391	\$(31)	(8)%	~(6)%
Total Farm Animal	\$556	\$573	\$(17)	(3)%	(4)% to (5)%
Contract Manufacturing	\$10	\$9	\$1	12 %	-
Total Elanco	\$1,205	\$1,257	\$(52)	(4)%	(7)% to (9)%

Note: Reported revenue in millions. Numbers may not add due to rounding. Growth rates on this slide are negatively impacted by the estimated impact of the ERP Blackout in 2023 as noted on slide 2.

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First Quarter 2024

Adjusted¹ Income Statement Highlights

\$ millions, except per share values	2024	2023	Change (\$)	Change (%)	Estimated ERP Blackout Impact
Revenue	\$1,205	\$1,257	\$(52)	(4)%	(7)% to (9)%
Cost of Sales	\$515	\$493	\$22	4 %	
Adjusted Gross Profit	\$690	\$764	\$(74)	(10)%	(9)% to (12)%
Adjusted Gross Margin	57.3 %	60.8 %	NM	(350) bps	(130) to (200) bps
Operating Expense	\$424	\$408	\$16	4 %	
Interest Expense, Net	\$66	\$64	\$2	3 %	
Other Expense	\$4	\$11	\$(7)	(64)%	
Effective Tax Rate	15.0 %	21.9 %	NM	(690) bps	
Adjusted Net Income	\$167	\$220	\$(53)	(24)%	
Adjusted Earnings Per Share Diluted	\$0.34	\$0.45	\$(0.11)	(24)%	(24)% to (34)%
Adjusted EBITDA	\$294	\$379	\$(85)	(22)%	(17)% to (24)%
Adjusted EBITDA Margin	24.4 %	30.2 %	NM	(580) bps	(370) to (500) bps

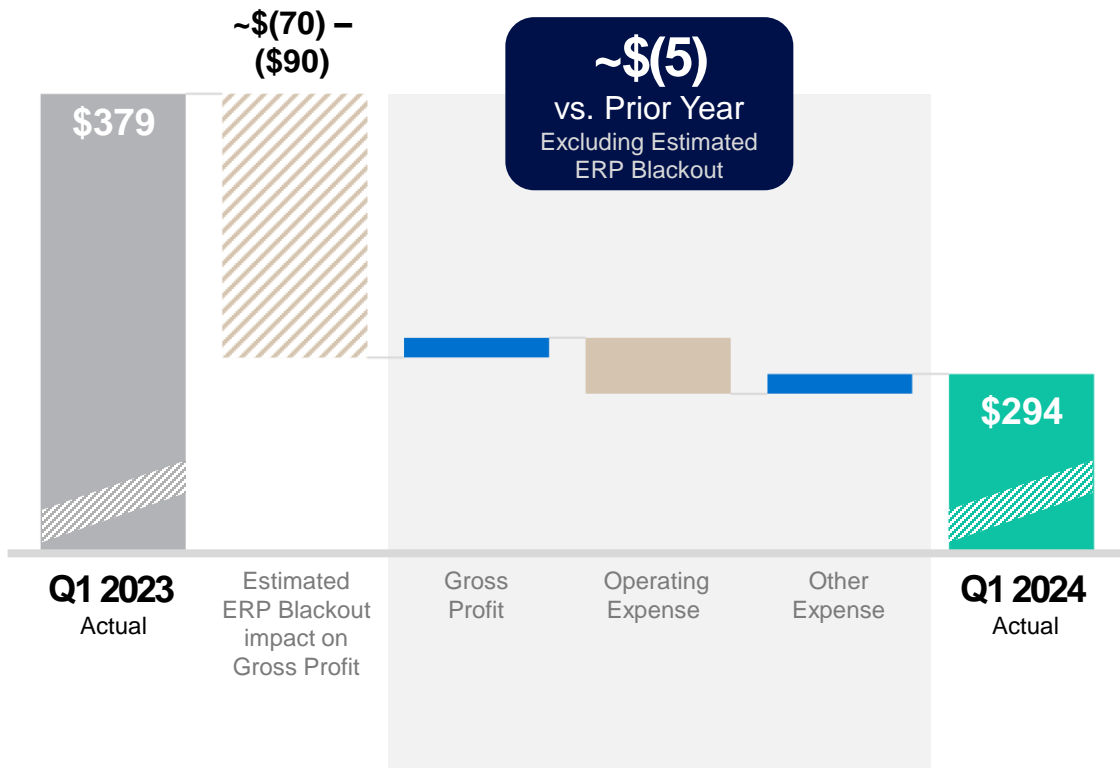
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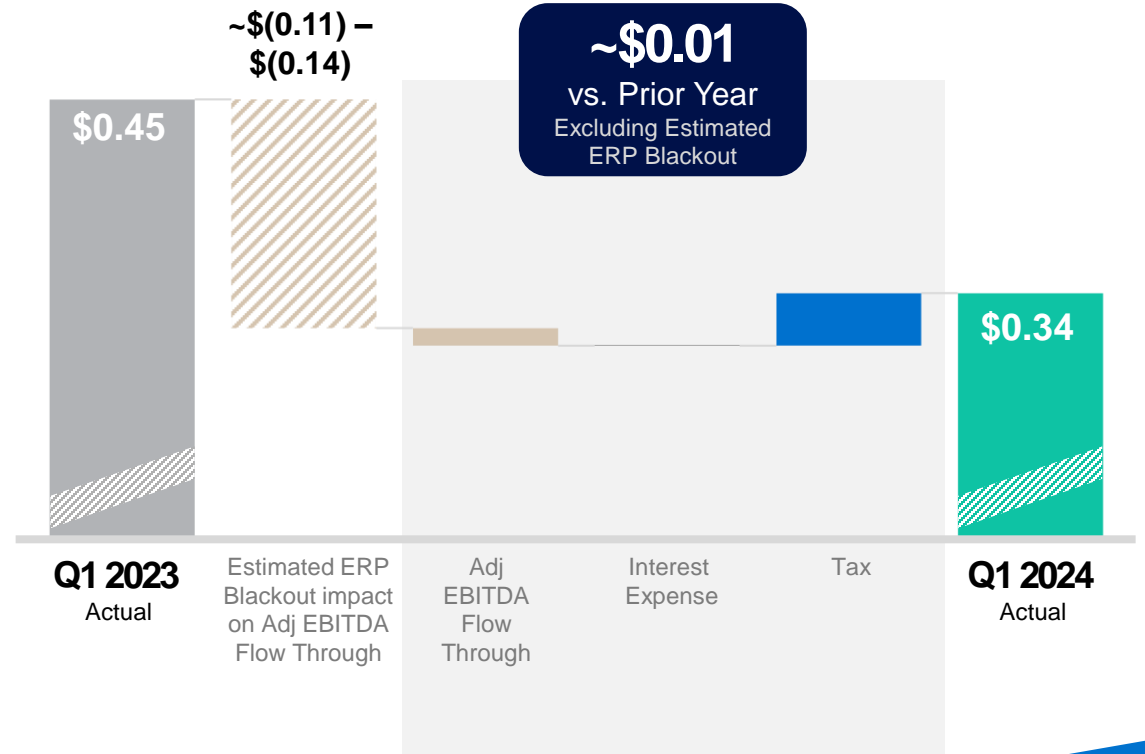
Q1 2023 to Q1 2024 Bridge

Adjusted EBITDA and Adjusted EPS Impacted by Prior Year ERP Blackout, Manufacturing Slowdown and Pet Health Investments

Q1 2024 Adjusted EBITDA



Q1 2024 Adjusted EPS

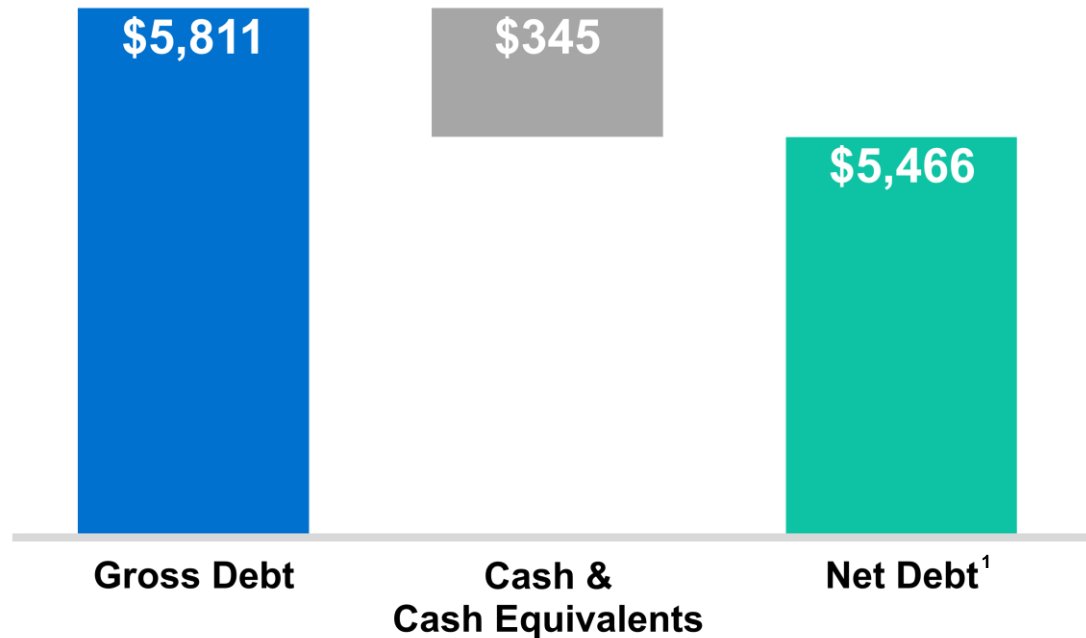


Note: Numbers may not add due to rounding and ranges. Dollars in millions, except per share amounts.

Key Balance Sheet and Cash Flow Metrics

Debt Balances as of March 31, 2024

\$ millions



Operating Cash Flow (OCF) of \$2M in Q1 2024;
YOY increase of \$147M primarily driven by improved inventory performance

\$13M of Debt Paydown in Q1 2024;
Adjusted net leverage ratio² increased to 6.1x, driven by impact of ERP blackout in 2023

Days sales outstanding³ at 78 days;
a decrease of 1 day compared to Q4 2023

+\$10M of cash from inventory,
while building approx. \$15M of inventory for launches

Note: Numbers may not add due to rounding.

¹Net debt is a non-GAAP measure calculated as gross debt less cash and cash equivalents on our balance sheet. Gross debt is the sum of the current portion of long-term debt and long-term debt and excludes unamortized debt issuance costs. ²Net leverage ratio is calculated as net debt divided by trailing 12 month adjusted EBITDA. This calculation does not include Term Loan B covenant-related adjustments that reduce this leverage ratio. ³DSO calculated as the trailing 12-month average.

Financial Guidance

Second Quarter and Full Year 2024



ElancoTM

2024 Full Year

Financial Guidance

\$ millions, except per share values

	February	May	Comments
Revenue	\$4,450 - \$4,540	\$4,460 - \$4,515	Raised CC ² growth to 2% to 3%; Updated to reflect strengthening U.S. dollar
Reported Net Loss	\$(62) - \$(17)	\$(45) - \$(3)	
Adjusted EBITDA¹	\$960 - \$1,010	\$960 - \$1,000	Updated to reflect Q1 overperformance and strengthening U.S. dollar
Reported Diluted EPS	\$(0.12) - \$(0.03)	\$(0.09) - \$(0.01)	
Adjusted Diluted EPS¹	\$0.87 - \$0.95	\$0.88 - \$0.96	Updated to reflect Q1 overperformance, strengthening U.S. dollar, improved interest and tax



Impact of FX vs Prior Year

now expected to be a headwind of approximately \$35M on revenue and \$15M on Adjusted EBITDA



Full Year Cadence

Gross margin headwinds and incremental strategic investments peak in H1 2024, while restructuring savings primarily in H2



Underlying Assumptions

Guidance includes full year contribution from aqua business and excludes potential upside from late-stage pipeline products Credelio Quattro, Zenrelia, and Bovaer

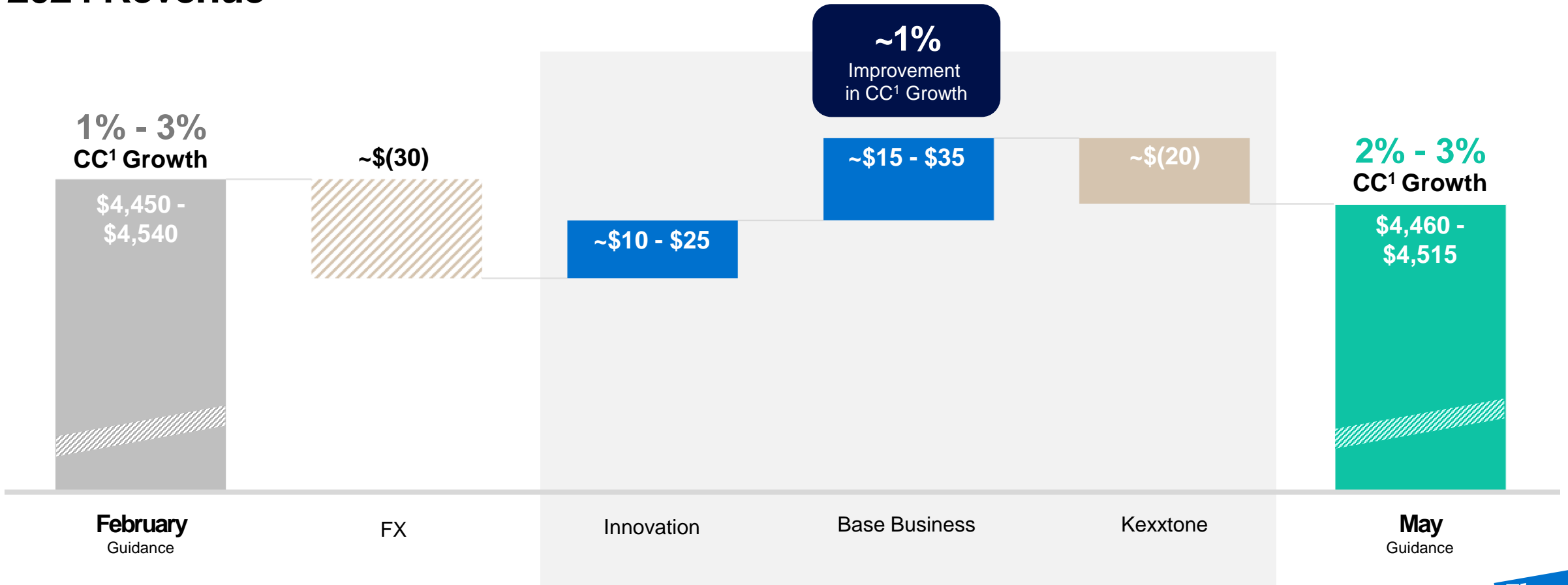
¹Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.

²Constant Currency (CC) is a non-GAAP financial measure, representing revenue growth excluding the impact of foreign exchange rates.

February Guidance to May Guidance Bridge

FY 2024 CC¹ Revenue Growth Expectations Improve to 2% to 3%, Led by U.S. Farm Animal and International Pet Health

2024 Revenue



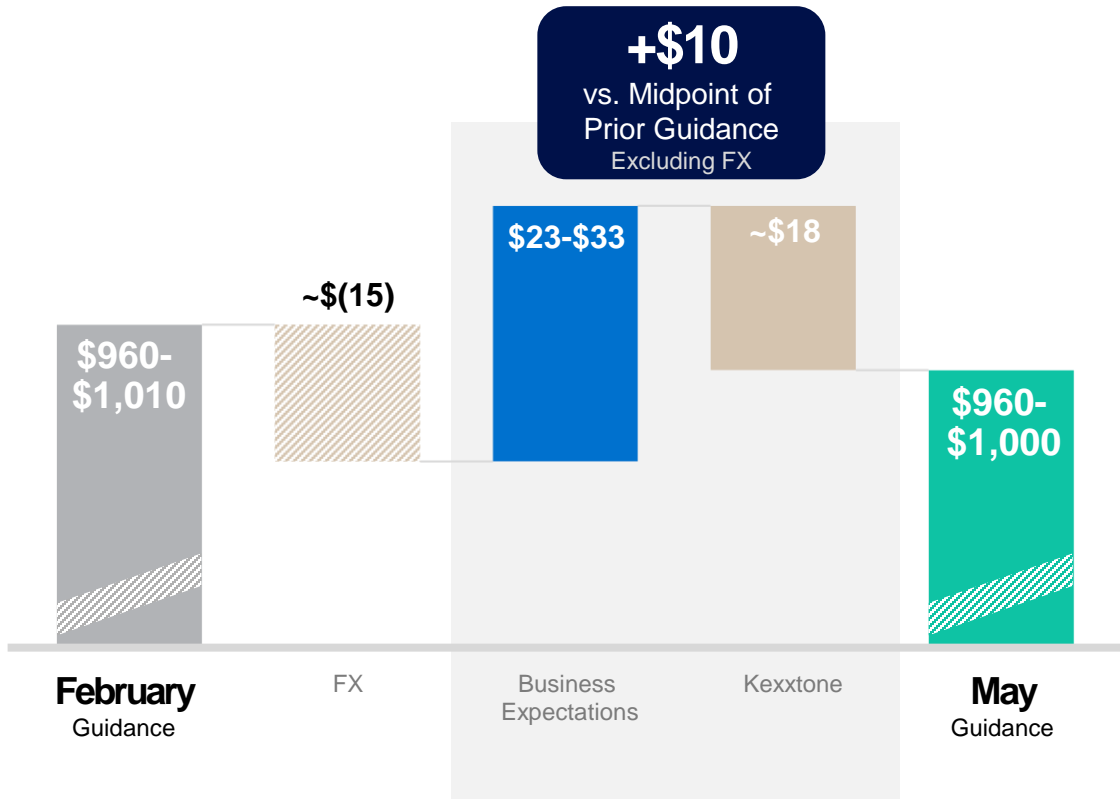
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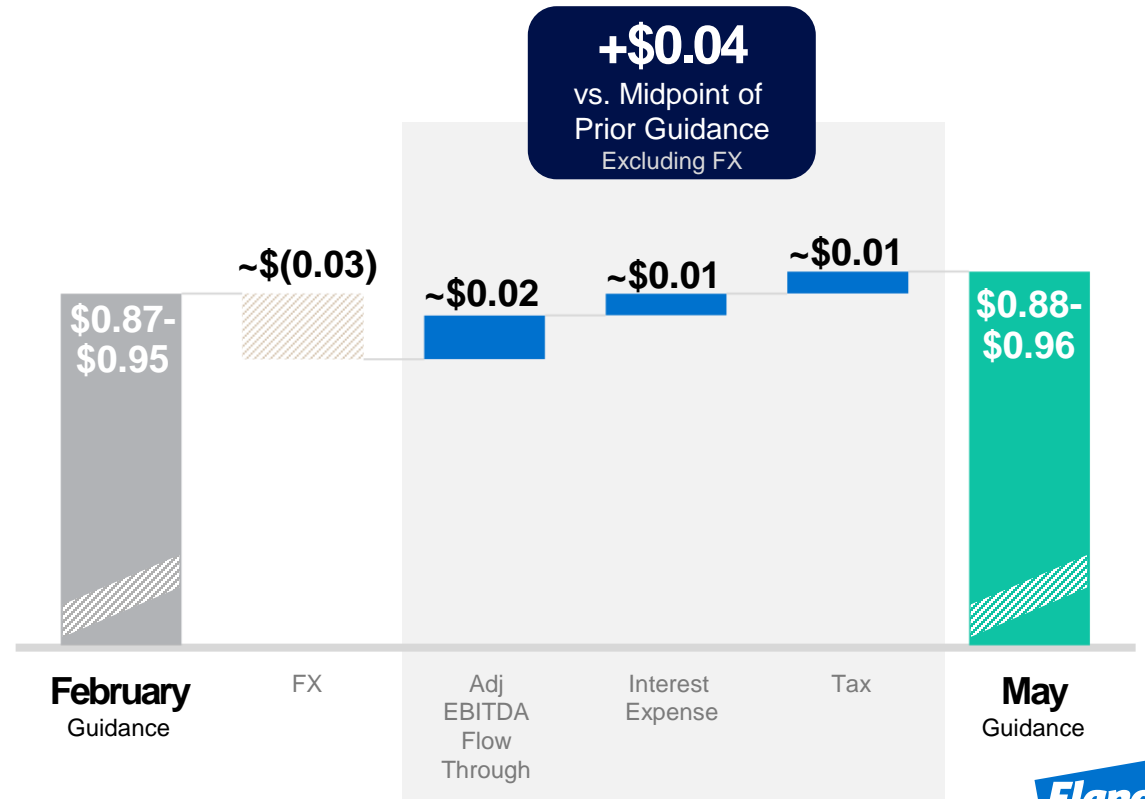
February Guidance to May Guidance Bridge

Expected Improvement in Adjusted EBITDA and Adjusted EPS Offset by Unfavorable FX Impact

2024 Adjusted EBITDA



2024 Adjusted EPS



Note: Numbers may not add due to rounding and ranges. Dollars in millions, except per share amounts.

Second Quarter 2024

Financial Guidance

\$ millions, except per share values

	Q2 Guidance	Comments
Revenue	\$1,145 - \$1,170	Expect 1% to 3% CC ² growth, excluding \$(90)-\$(110) million estimated impact from ERP ³ in 2023
Reported Net Income	\$0 - \$20	
Adjusted EBITDA¹	\$240 - \$260	Including \$20-\$25 million incremental investment in Pet Health; 2023: \$(70)-\$(90) million impact from ERP ³
Reported Diluted EPS	\$0.00 - \$0.04	
Adjusted Diluted EPS¹	\$0.23 - \$0.26	2023: \$(0.11)-\$(0.14) impact from ERP ³



ERP System Transition

led to a significant shift in sales from Q2 into Q1 of 2023, impacting expected growth rates for Q1 and Q2 of 2024



Pet Health Investments

increasing YOY in Q2 for U.S. field force expansion and promotional dollars to drive OTC parasiticides in the U.S. and Europe



Additional Q2 Assumptions

Fx expected to be headwind of ~\$20 million on revenue; Interest expense expected to be ~\$70 million

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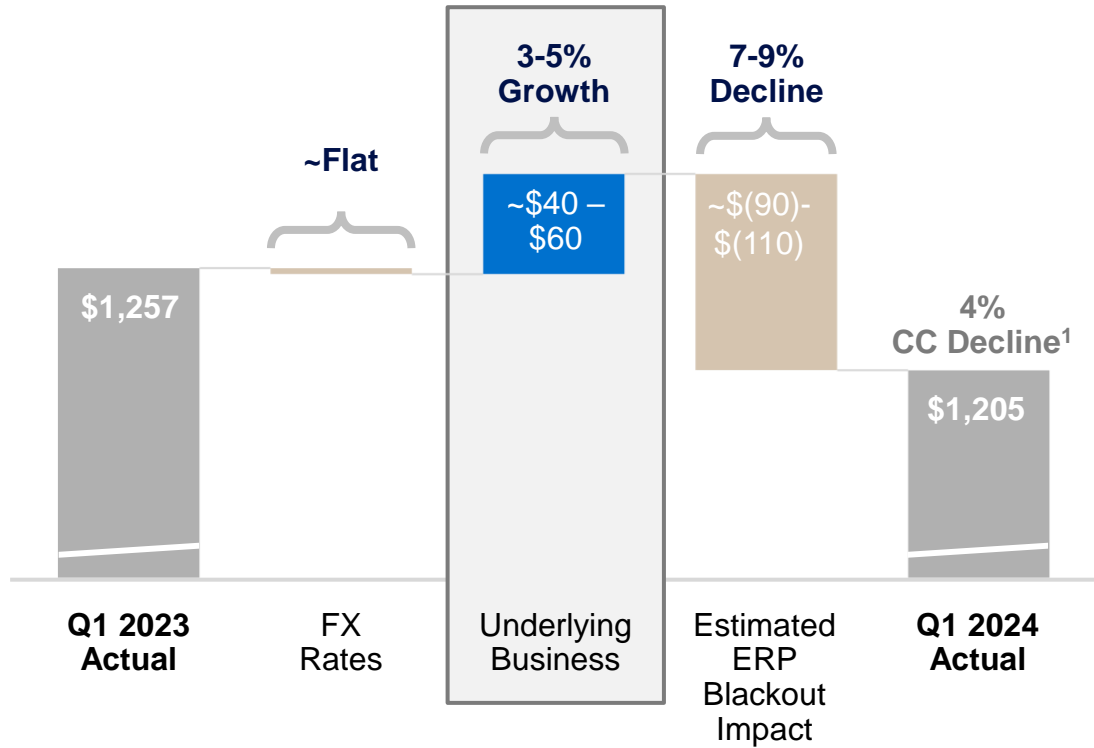
³ERP refers to the estimated shift in sales from Q2 into Q1 in 2023 as noted on Slide 2.

Q1 & Q2 2023 to 2024 Revenue Bridges

Underlying Growth Expected to Continue with Benefit from ERP Blackout in Q2; H1 CC growth 2%-3%

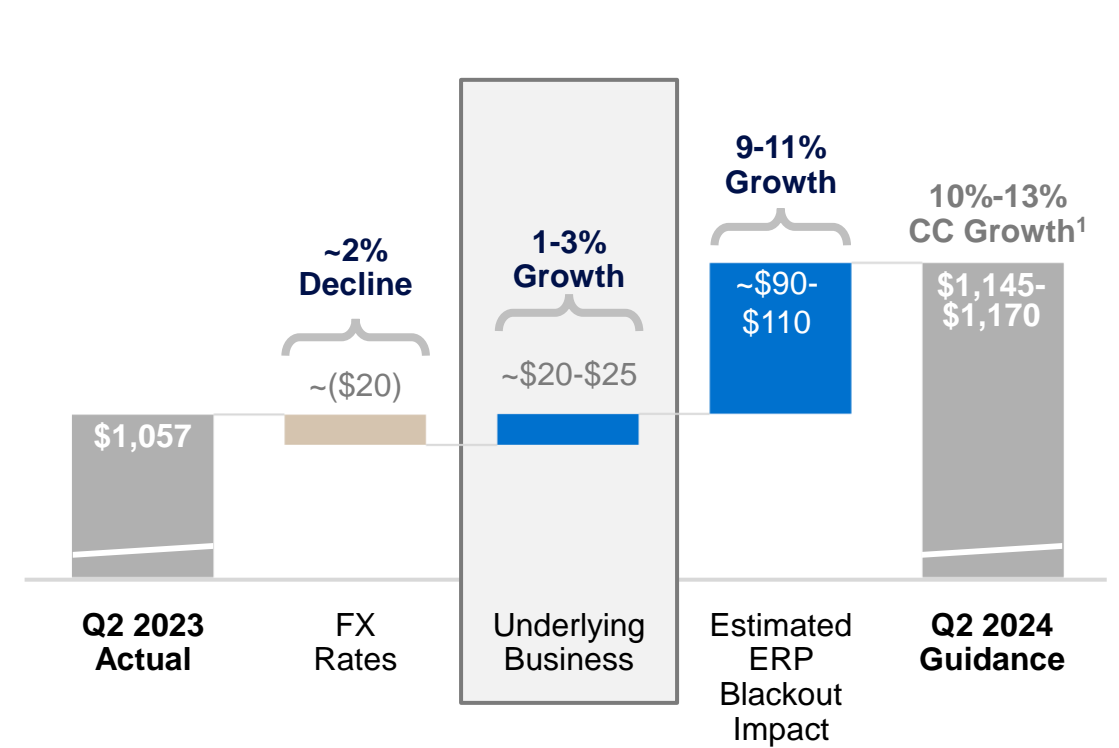
First Quarter

\$ millions



Second Quarter

\$ millions



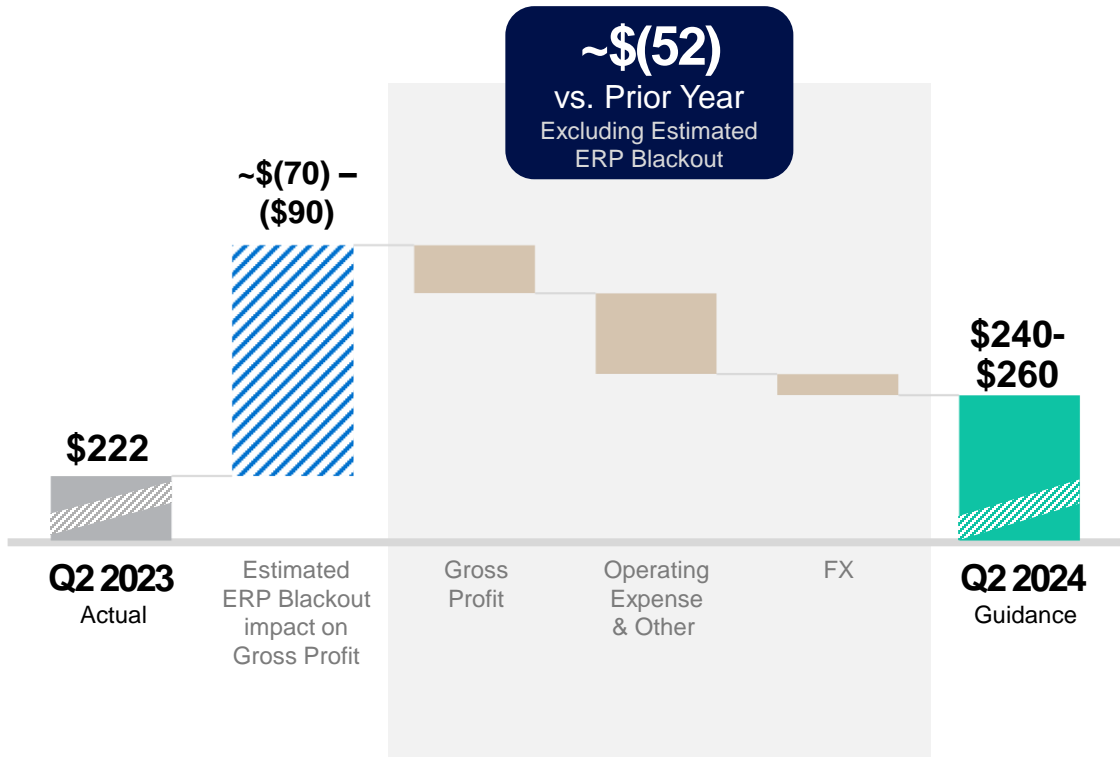
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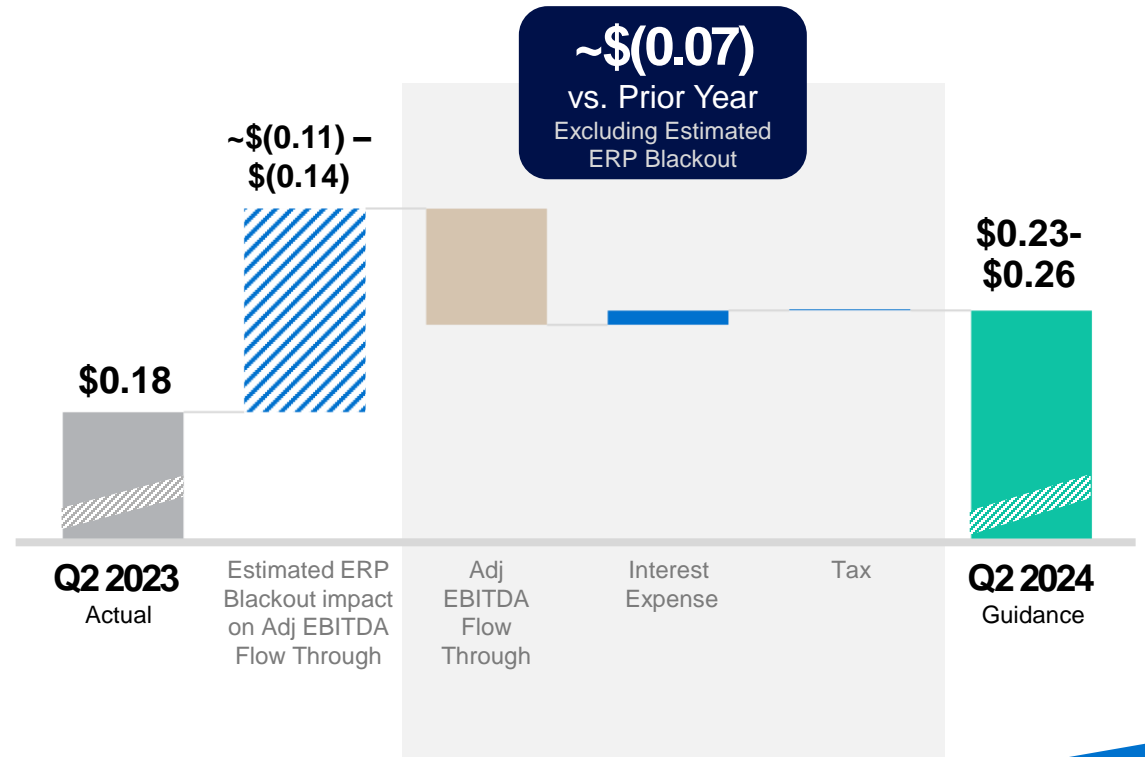
Q2 2023 to Q2 2024 Bridge

Adjusted EBITDA and Adjusted EPS Declines Impacted by Prior Year ERP Blackout, Manufacturing Slowdown and Pet Health Investments

Q2 2024 Adjusted EBITDA



Q2 2024 Adjusted EPS



Note: Numbers may not add due to rounding and ranges. Dollars in millions, except per share amounts.

Factors Impacting Cash Flow and Leverage

\$ millions	2021	2022	2023	2024 Projected	2024 Comments
Project¹/Restructuring Cash	\$325	\$194	\$149	\$40 - \$50	Lower project spend partially offset by Q1 2024 restructuring
Cash Interest	\$221	\$266	\$379	Approx. \$345	
Cash Taxes	\$151	\$93	\$95	\$80 - \$100	
Change in NWC²	\$88	\$462	\$300	\$20 - \$50	Operating cash inflow from improvements in inventory
CAPEX	\$159	\$171	\$140	\$180 - \$200	Increased investments supporting launches
Debt paydown	\$(176)	\$501	\$76	\$280 - \$320	Increase by approximately 4x compared to prior year
Net Proceeds from Aqua Sale				\$1.05 - \$1.1B	Expect close around mid-year
Net Leverage Ratio	5.5x	5.5x	5.6x	5.2x – 5.5x³	Aqua proceeds expected to reduce by an additional 0.7x, to mid-4x

¹Project refers to cash costs associated with the independent company stand-up, Bayer business integration and Bayer ERP system integration.

²Change in NWC reflected as: Use (Source) of Cash. 2024 Guidance does not include \$66 million dollar inflow of cash that was included in Cash Flows from Investing Activities.

³Reflects net leverage ratio excluding the impact of the expected sale of the Company's aqua business.

Appendix

Reference slides and GAAP reported to
non-GAAP adjusted reconciliations

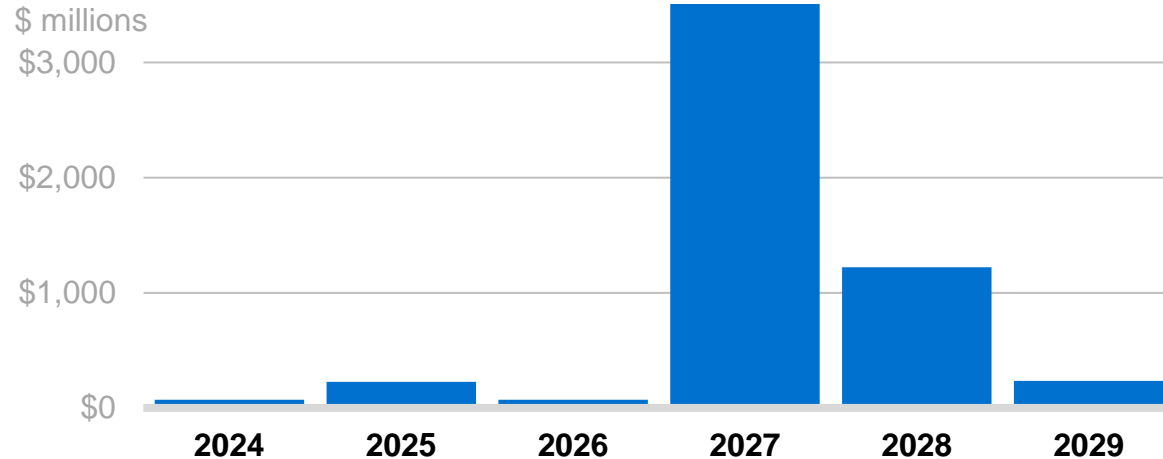


Elanco

TM

Confident in Liquidity and Ability to Manage Debt Obligations

Debt Maturities & Mandatory Payments



Key Debt Information¹

Total Gross Debt: \$5.8 billion

- **Term Loans:** \$4.7 billion; bears interest of 1-Month Term SOFR+185 bps
- **Senior Notes:** \$750 million; bears interest of 6.65%, incl. 175 bps credit rating step up
- **Revolver:** Access to \$750 million; bears interest of 1-Month Term SOFR+210 bps
- **A/R Securitization:** Access to up to \$300 million; bears interest of 1-Month Term SOFR+125 bps

Interest Rate Swaps: \$3 billion matures in 2026, \$0.8 billion matures in 2028; 75% to 80% of debt remains fixed throughout 2024

2024 Assumptions⁴: Year-end net leverage ratio expected between 5.2x and 5.5x; with \$280 to \$320 million debt paydown

Summary of Financial Covenants Associated with TLB & Revolving Credit Facility

Covenant	Definition	Limit	Current Level ¹	Term Loan Enforcement Rights	Revolver Enforcement Rights
Net Leverage Ratio	Net debt ² divided by TTM ³ adjusted EBITDA	Max 7.71x	6.1x	None	Yes
Interest Coverage Ratio	TTM adjusted EBITDA divided by TTM cash interest expense	Min 2.0x	2.4x	Only if certain non-financial covenants are tripped	Yes

¹As of March 31, 2024; this calculation does not include Term Loan B covenant-related adjustments that increase adjusted EBITDA by approximately \$60 to \$70 million.

²Net debt is a non-GAAP measure calculated as gross debt less cash and cash equivalents on our balance sheet. Gross debt is the sum of current portion of long-term debt and long-term debt and excludes unamortized debt issuance costs. ³TTM = Trailing Twelve Months. ⁴Reflects assumptions excluding the impact of the divestiture of the Company's aqua business.

Full Year 2024

Financial Guidance & Additional Assumptions

\$ millions, except
per share values

	February	May
Total Revenue	\$4,450 – \$4,540	\$4,460 – \$4,515
Gross Margin	55.9% – 56.5%	55.6% – 56.1%
Operating Expenses	\$1,650 – \$1,675	\$1,650 – \$1,670
Adjusted EBITDA¹	\$960 – \$1,010	\$960 – \$1,000
Adjusted EBITDA Margin¹	21.6% – 22.2%	21.5% – 22.2%
Depreciation	Approx. \$135	Approx. \$135
Interest Expense, Net	Approx. \$280	Approx. \$275
Tax Rate	20%-22%	19%-21%
Adjusted Earnings per Share¹	\$0.87 – \$0.95	\$0.88 – \$0.96
Weighted Average Diluted Share Count	Approx. 497 million	Approx. 497 million
Capital Expenditures	\$180 - \$200	\$180 - \$200
Cash Taxes	\$80 - \$100	\$80 - \$100
Cash Interest	Approx. \$350	Approx. \$345
Net Cash Impact from Integration and Restructuring	\$40 - \$50	\$40 - \$50

Note: Financial Guidance includes full year contribution from aqua business and excludes potential upside from late-stage pipeline products Credelio Quattro, Zenrelia, and Bovaer.

¹Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.

First Quarter 2024

Adjusted EBITDA Reconciliation

\$ millions

	2024	2023
Reported Net Income	\$32	\$103
Net Interest Expense	\$66	\$64
Income Tax Expense	\$(20)	\$5
Depreciation and Amortization	\$165	\$173
EBITDA	\$243	\$344
Non-GAAP Adjustments		
Cost of Sales	\$0	\$1
Asset Impairment, Restructuring, and Other Special Charges	\$46	\$40
Accelerated Depreciation and Amortization ¹	\$0	\$0
Other Expense (Income), Net	\$0	\$(5)
Adjusted EBITDA	\$5	\$(2)
Adjusted EBITDA Margin	\$294	\$379

Numbers may not add due to rounding.

¹Represents depreciation and amortization of certain assets that was accelerated during the periods presented. This amount must be added back to arrive at adjusted EBITDA because it is included in asset impairment, restructuring, and other special charges but it has already been excluded from EBITDA in the "depreciation and amortization" row above.

First Quarter 2024

Reconciliation of GAAP Reported to Non-GAAP Adjusted Income Statement Items

\$ millions, except
per share values

	2024			2023		
	GAAP Reported	Adjusted Items	Non- GAAP	GAAP Reported	Adjusted Items	Non- GAAP
Cost of Sales ¹	\$515	\$0	\$515	\$494	\$1	\$493
Amortization of Intangible Assets	\$133	\$133	\$0	\$134	\$134	\$0
Asset Impairment, Restructuring and Other Special Charges ²	\$46	\$46	\$0	\$40	\$40	\$0
Other Expense, Net ³	\$9	\$5	\$4	\$9	\$(2)	\$11
Income Before Taxes	\$12	\$184	\$196	\$108	\$173	\$281
Income Tax (Benefit) Expense ⁴	\$(20)	\$(49)	\$29	\$5	\$(56)	\$61
Net Income	\$32	\$135	\$167	\$103	\$117	\$220
Earnings per Share Diluted⁵	\$0.06	\$0.28	\$0.34	\$0.21	\$0.24	\$0.45
Adjusted Weighted Average Shares Outstanding Diluted	496.0	496.0	496.0	492.8	492.8	492.8

Numbers may not add due to rounding.
See slide 35 for details of adjustments to certain GAAP reported measures.

First Quarter 2024

Details of Adjustments to Certain GAAP Reported Measures

For the three months ended March 31, 2024 and 2023:

- 1) Adjustments of \$1 million for the three months ended March 31, 2023, related to amortization of an inventory fair value adjustment recorded from the acquisition of certain assets of NutriQuest.
- 2) Adjustments of \$46 million for the three months ended March 31, 2024, consisted of \$39 million of costs associated with the restructuring plan we announced in February 2024 and \$7 million of acquisition integration and divestiture-related costs. Adjustments of \$40 million for the three months ended March 31, 2023, primarily related to charges associated with integration efforts and external costs related to the acquisition of Bayer Animal Health.
- 3) Adjustments of \$5 million for the three months ended March 31, 2024, related to the impact of hyperinflationary accounting in Turkey and an increase in our accrual related to a possible resolution or settlement relating to our previously disclosed matter with the SEC. Adjustments of \$2 million for the three months ended March 31, 2023, related to the impact of hyperinflationary accounting related to Turkey and a gain recognized on our 2022 investment in BiomEdit.
- 4) Adjustments of \$49 million for the three months ended March 31, 2024 primarily represent the income tax expense associated with the adjusted items discussed above and \$14 million related to the partial release of a valuation allowance attributable to the anticipated sale of our aqua business. Adjustments of \$56 million for the three months ended March 31, 2023, represent the income tax expense associated with the adjusted items discussed above, partially offset by a \$4 million increase in the valuation allowance recorded against our deferred tax assets during the period.

Full Year 2024

EBITDA Guidance Reconciliation

\$ millions

Reported Net Loss	\$(45) - \$(3)
Net Interest Expense	Approx. \$275
Income Tax Benefit	\$(13) - \$(1)
Depreciation and Amortization	Approx. \$670
EBITDA	\$883 - \$934
Non-GAAP Adjustments	
Asset Impairment, Restructuring, and Other Special Charges ¹	Approx. \$70
Other Income, net	Approx. \$5
Adjusted EBITDA	\$960 - \$1,000
Adjusted EBITDA Margin	21.5% - 22.1%

(1) Asset impairment, restructuring and other special charges adjustments primarily relate to the restructuring plan announced in February 2024 and acquisition integration and divestiture-related costs.
Note: Numbers may not add due to rounding.

Full Year 2024

EPS Guidance Reconciliation

Reported Loss per Share	\$(0.09) - \$(0.01)
Amortization of Intangible Assets	Approx. \$1.07
Asset Impairment, Restructuring, and Other Special Charges ¹	\$0.12 - \$0.14
Subtotal	\$1.23 - \$1.21
Tax Impact of Adjustments	\$(0.26) - \$(0.24)
Total Adjustments to Earnings per Share	Approx. \$0.97
Adjusted Earnings per Share²	\$0.88 - \$0.96

Note: Numbers may not add due to rounding.

¹Asset impairment, restructuring and other special charges adjustments primarily relate to the restructuring plan announced in February 2024 and acquisition integration and divestiture-related costs.

²Adjusted EPS is calculated as the sum of reported EPS and total adjustments to EPS.

Second Quarter 2024

EBITDA Guidance Reconciliation

\$ millions

Reported Net Income	\$0 - \$20
Net Interest Expense	Approx. \$70
Income Tax Provision	\$(9) - \$(4)
Depreciation and Amortization	Approx. \$170
EBITDA	\$223 - \$248
Non-GAAP Adjustments	
Asset Impairment, Restructuring, and Other Special Charges ¹	Approx. \$10
Adjusted EBITDA	\$240 - \$260
Adjusted EBITDA Margin	21.0% - 22.2%

(1) Asset impairment, restructuring and other special charges adjustments primarily relate to the restructuring plan announced in February 2024 and acquisition integration and divestiture-related costs.
Note: Numbers may not add due to rounding.

Second Quarter 2024

EPS Guidance Reconciliation

Reported Earnings per Share	\$0.00 - \$0.04
Amortization of Intangible Assets	Approx. \$0.27
Asset Impairment, Restructuring, and Other Special Charges ¹	\$0.03 - \$0.02
Subtotal	\$0.30 - \$0.27
Tax Impact of Adjustments	Approx. \$(0.07)
Total Adjustments to Earnings per Share	\$0.23 - \$0.22
Adjusted Earnings per Share²	\$0.23 - \$0.26

Note: Numbers may not add due to rounding.

¹Asset impairment, restructuring and other special charges adjustments primarily relate to the restructuring plan announced in February 2024 and acquisition integration and divestiture-related costs.

²Adjusted EPS is calculated as the sum of reported EPS and total adjustments to EPS.