Maximizing the Portfolio
Elanco Investor Day 2020

Racquel Harris Mason
Executive Vice President & Chief Marketing Officer
Today’s Agenda

Elanco Today

Innovative Future

Maximizing the Portfolio

Focus on Productivity

Financial Outlook

Q&A
Growth: ~3%-4% Average Annual Revenue Growth

**Innovation**
- **Internal Pipeline**
- **External Innovation**

**Maximizing Value Of Current Portfolio**
- **Focus**
  - Significant Brands Accretive to Growth
- **Core**
  - Portfolio Value Drivers
- **Defend**
  - Material Brands, Highly Profitable

**Enabled by**
- Launch Excellence
- Omnichannel Leadership
- Geographic Focus
- Pricing
- Digital Ecosystem

**Overall**
- **Long-Term Contribution to Average Annual Total Revenue Growth**
  - 2%-3%
  - 0%-1%
  - (1)-2%
  - 3%-4%

**Note:** All references to forward-looking financials are at constant currency, unless otherwise noted.
Today’s Discussion

- Portfolio
- Context for the
- New Elanco

- Pet Health

- Farm Animal

- Enabled By:
  - Launch Excellence
  - Omnichannel
  - Geographic Focus
  - Pricing
  - Digital Ecosystem
Elanco Now Has a More Diverse and Balanced Portfolio

**Portfolio Evolution**

<table>
<thead>
<tr>
<th>Category</th>
<th>2019 Reported</th>
<th>2020 Pro Forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm Animal</td>
<td>62% $1.9B</td>
<td>50% $2.2B</td>
</tr>
<tr>
<td>Pet Health</td>
<td>38% $1.1B</td>
<td>50% $2.1B</td>
</tr>
</tbody>
</table>

**Elanco Blockbusters**

- 35% Eight blockbusters (>$100M annual revenue each)
- 65% Breadth of relevant global, regional, and local brands

Note: Percentages represent Elanco 2020 pro forma revenue estimates and exclude Contract Manufacturing of $110M

Note: 2020 pro forma revenue excludes Contract Manufacturing of $110M
Bayer’s Strengths Complement Elanco

Alternative Channels Leader for Companion Parasiticides

First mover and alternative channel leadership position

E-Commerce Strength

Key brands have top presence on Amazon, with more than 3x as many reviews as competitors

Leading Digital and DTC Marketing

Diverse teams with DTC experience

E-Commerce Market Growing at ~15%

as pet owners shift where they learn about and purchase pet products
Strengthened Commercial Approach Supports Multiple Growth Agendas

While Serving the Unique Needs of our Diverse Global Business

From
- U.S.
- International

To
- U.S. Pet Health
- U.S. Farm Animal
- Europe
- International
- Global Marketing
Broad Portfolio in the Largest Pet Health Market Segments

Pet Health Market

- Parasiticides: 49%
- Pharmacologicals: 25%
- Biologicals: 14%
- Anti-infectives: 7%
- Other: 5%

$10.7B

For Elanco

$2.1B

Note: Elanco market analysis based on Vetnosis, AnimalPharm, and other public and proprietary data sources. Elanco revenue based on 2020 pro forma estimates.
A Leader in the $5.3 Billion Pet Health Parasiticide Market

Brands
- Focus
- Seresto
- Credelio
- Advocate
- Interceptor Plus
- Advantix
- Trifexis
- Defend

Capabilities
- DTC marketing
- Digital engagement
- Category management

Innovation
- Broadening portfolio
  - Credelio PLUS (2021)
  - One new innovation each year on average through 2025
- Leveraging new opportunities
  - Connected Care
  - Digital Ecosystem

Market Leader Well Positioned to Evolve with Customer Needs

Note: Elanco market analysis based on Vetnosis, AnimalPharm, and other public and proprietary data sources
# Seresto Has Revolutionized the Parasiticides Business

### Key Differentiators

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<tr>
<th>✔️</th>
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<tbody>
<tr>
<td>Superior duration</td>
<td>Unique repellency</td>
<td>Novel collar delivery</td>
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### Major Growth Drivers

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<tr>
<td>Omnichannel presence</td>
<td>Direct-to-consumer engagement</td>
<td>Emerging markets and lifecycle management</td>
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| Top 5 brand in Animal Health history | Double-digit annual growth since 2012 launch | Nearing $400M sales in 2020 |

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Note: Registered indications and claims vary by jurisdiction.
**Pet Health Focus Products Nearing Blockbuster Status**

<table>
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<tr>
<th>Differentiation</th>
<th>State-of-the-art oral parasite protection</th>
<th>First tick and flea oral tablet for cats</th>
<th>First in class EP4 receptor antagonist NSAID</th>
<th>Targets the source of pain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>How We Grow</strong></td>
<td>Pairing with Interceptor Plus for maximum protection</td>
<td>Global expansion with enhanced marketing capabilities</td>
<td>Position as first line treatment, driving category growth</td>
<td>Disease state awareness and global expansion</td>
</tr>
</tbody>
</table>
Joyce Lee
Executive Vice President,
U.S. Pet Health and Commercial Operations
Farm Animal
Leadership in a Durable, Growing Market

Global Animal Protein Consumption
2007 – 2027E

Growing global animal consumption expectations demonstrate long-term durability
(1.9% CAGR)

Market Split by Species

Elanco is Well Positioned in All Key Species

Note: Elanco analysis based on Vetnosis, AnimalPharm, and other public and proprietary data sources
Ruminants includes beef, dairy, and sheep
Elanco revenues based on 2020 pro forma revenue estimates
A Legacy of Cattle Leadership Enhanced with an Expanded and Highly Complementary Portfolio of Solutions

Strengthen

Portfolio
- Broaddest portfolio in the industry
- Global leaders in parasitcides & MFAs
- Complete B2B to OTC product & service offerings

Innovation
- Expanding BRD portfolio
- Leading sustainability improvements through novel technology delivery

Expand

Customer Outcomes
- Industry-leading Elanco Knowledge Solutions (EKS)
- On-farm audits and analytics
- Enterprise consultancy
Leadership in the Growing Poultry Market

#1 in Poultry

- Undisputed leader in the control & prevention of intestinal disease
- Best in class salmonella & food safety solutions
- Focus on solutions for RWA market

Comprehensive Portfolio
with differentiated Value Beyond Product offerings
Growth: ~3%-4% Average Annual Revenue Growth

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- **Internal Pipeline**
  - Focus: Significant Brands Accretive to Growth
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**Maximizing Value Of Current Portfolio**
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**Enabled by**
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- Geographic Focus
- Pricing
- Digital Ecosystem
Ramiro Cabral
Executive Vice President, Elanco International
Pricing Is a Key Enabler of our Growth Algorithm

Market Position + Value-Based Pricing as a Differentiator + Price Governance = Profitable Growth

Value-Based Pricing

Customers

Competitive Offering

Perceived Value

Differential Value
Continuous Digital Ecosystem Enhancement Is a Key Growth Enabler

- 40% of pet owners purchase online
- 50% of veterinarians purchase online
- 52% of farmers use smartphones or tablets

Integrated Customer Experience

- Customer Engagement
- Demand Creation
- Optimized Decision Making
- Increased Productivity
Launch Excellence Focus for 2021 and Beyond

Farm Animal
- Elanco Experior
- Elanco Increxxa
- Elanco Casobody
(1) Raised Without Antibiotics

Pet Health
- Credelio PLUS
- Credelio
- Elura

2021
- $80 – $100M Revenue
- 8 New Product Launches

Marketing, Commercial, Manufacturing, and R&D Partnership

(1) Raised Without Antibiotics
Maximizing the Value of Our Strong, Durable Portfolio

Portfolio Takeaways

- The right commercial structure to meet diverse customer needs
- Growing focus brands in key market spaces: Pet Health parasiticides, pain, and poultry
- Defending leadership positions: Beef and Pet Health parasiticides
- Critical capabilities to enable commercial success