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

**Overall**

~3%–4%

2%–3%

2%–3%

0%–1%

(1)%–(2)%

Long-Term Contribution to Average Annual Total Revenue Growth

Enabled by

Launch Excellence

Omnichannel Leadership

Geographic Focus

Pricing

Digital Ecosystem

Note: All references to forward-looking financials are at constant currency, unless otherwise noted.
What You Can Expect from Today

- A better understanding of our innovation capabilities and focus areas
- How market dynamics guide our investment priorities and pipeline structure
- An unprecedented deep dive on Pet Health parasiticides and therapeutics
- A clear articulation of projected outputs
Focus in Relevant Areas of Need

3 Technology Platforms
Increased from two to three by adding microbiome as a strategic platform in 2019

- Biologicals
- Microbiome
- Chemistry

6 Focus Innovation Categories
Reduced from 13 to six by 2018 to increase organizational focus and effectiveness

- Pet Health
  - Parasiticides
  - Therapeutics
  - Vaccines
- Farm Animal
  - Pharmaceuticals
  - Nutritional Health
  - Vaccines

9 R&D Sites
Consolidated over time to nine R&D sites with core competencies

- **U.S.**
  - Greenfield, IN
  - Shawnee, KS
  - Ft. Dodge, IA
- **Europe**
  - Basel, CH
  - Monheim, DE
  - Cuxhaven, DE
- **APAC**
  - Yarrandoo, AUS
  - Manukau, NZ
  - Bangalore, IND
Pet Health Parasiticides, Therapeutics, and Poultry Vaccines Lead Industry Growth

Global Industry Revenue Growth Trend, 2017-2019

<table>
<thead>
<tr>
<th>Category</th>
<th>PH growth</th>
<th>FA growth</th>
<th>Total</th>
<th>CAGR ’17-'19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dog &amp; Cat</td>
<td>Ruminant</td>
<td>Swine</td>
<td>Poultry</td>
</tr>
<tr>
<td>Parasiticides</td>
<td>+++</td>
<td>=</td>
<td>=</td>
<td>+</td>
</tr>
<tr>
<td>Vaccines</td>
<td>+</td>
<td>=</td>
<td>=</td>
<td>++</td>
</tr>
<tr>
<td>Anti-Infective</td>
<td>=</td>
<td>=</td>
<td>=</td>
<td>-</td>
</tr>
<tr>
<td>Therapeutics</td>
<td>+++</td>
<td>-</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Nutritionals</td>
<td>=</td>
<td>=</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Other</td>
<td>=</td>
<td>-</td>
<td>-</td>
<td>=</td>
</tr>
<tr>
<td>Total</td>
<td>+++</td>
<td>=</td>
<td>--</td>
<td>++</td>
</tr>
<tr>
<td>CAGR, ’17-'19</td>
<td>8-9%</td>
<td>0-1%</td>
<td>-2-3%</td>
<td>5-6%</td>
</tr>
</tbody>
</table>

Note: Elanco analysis based on Vetnosis, AnimalPharm, and other public and proprietary data sources

PH growth has been driven primarily by parasiticides and therapeutics

In FA, the bulk of growth has come from poultry vaccines, while swine has been a significant industry ‘drain’

Aqua is growing fast (~15%), but off a small base
Industry Dynamics Inform the Structure of Elanco’s Pipeline

Overall Pipeline Composition
# of Projects

By R&D Phase

- **Research**: 35 projects
  - Farm Animal: 26 projects
  - Pet Health: 16 projects

- **Exploratory Development**: 16 projects
  - Farm Animal: 16 projects
  - Pet Health: 25 projects

- **Full Development**: 13 projects
  - Farm Animal: 30 projects

- **Submission**: 10 projects
  - Farm Animal: 10 projects

Balanced R&D portfolio across phases given risk profile
Maturing later stage portfolio
Pet Health with high proportion of research, reflecting future innovation needs

By Category

- **FA Pharmaceuticals**: 37%
- **FA Nutritional Health**: 11%
- **FA Vaccines**: 8%
- **PH Therapeutics**: 21%
- **PH Parasiticides**: 15%
- **PH Vaccines**: 8%

FA Pharma and PH Thera/Para categories with most active projects, followed by PH Parasiticides
Selective approach in Vaccines and FA Nutritional Health
Composition of R&D Investment

Funding Choices Take Risk Profile, Innovation Type, and Category Potential into Account

Variable R&D Investment Dollars

**By R&D phase**
- **Exploratory Development**: 17%
- **Research**: 7%
- **Full Development**: 76%

Higher late-stage per project development cost drives investment levels in full development. R&D fixed costs not reflected per project.

**By Business Area**
- **Farm Animal**: 43%
- **Pet Health**: 57%

Higher investment in PH reflects market dynamics. NME development is primary driver in PH. FA more balanced between NME and LCM.

**By Innovation Type**
- **NME**: 67%
- **LCM**: 29%
- **Other**: 4%

Dedicated investment in NME’s with high unmet need. Intentional LCM investment to grow brands. Other reflects platform and discovery investments to secure future innovation.
A Proven History of Delivering Value Through Innovation

History of successfully growing innovation brands since IPO in 2018

Many of these products are now represented as focus products

Innovation delivered in 2021 as new baseline for the future

NEW PRODUCT PROGRESS

 Millions in Revenue for New Products

- 2017: $143.8
- 2018: $274.2
- 2019: $439.2
- 2020: $121.9

Products Include:

**COMPANION ANIMAL**
- Interceptor® Plus
- Osurnia™
- Galliprant®
- Credelio®
- Entyce®
- Novita®
- Tanovea®

**FOOD ANIMAL**
- Imrestor®
- Imvixa™
- Kavault®
- Intenity®
- Clynav™
- Prevaent™ PRRS
- Correlink™

2020 Q3
+9% excluding divestitures**
+18% further excluding 2019 customer stock-in***

*Marketing of this product has been suspended while additional indications are pursued.
**Osurnia was divested as of deal close on August 1, 2020. Growth rate excludes revenue from August and September 2019.
***Growth excluding customer stock-in in third quarter of 2019, and Osurnia revenue August and September 2019.

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2021-2025: 45 Opportunities to Deliver 25+ Launches

2021 – 2025: 25+ Launch Equivalents

**Pet Health**

- **12 Launch Equivalents / 20 shots on goal**
  - **Year of Approval**
  - **2021**: 3.0
  - **2022**: 4.0
  - **2023**: 2.6
  - **2024**: 1.7
  - **2025**: 1.3

**Total**
- **Total Shots on Goal**
- **Year of Approval**
- **2021**: 1.0
- **2022**: 1.4
- **2023**: 2.3
- **2024**: 2.7
- **2025**: 2.9

**Farm Animal**

- **15 Launch Equivalents / 25 shots on goal**
  - **Year of Approval**
  - **2021**: 5.0
  - **2022**: 2.9
  - **2023**: 2.8
  - **2024**: 1.7
  - **2025**: 3.1

**Total**
- **Total Shots on Goal**
- **Year of Approval**
- **2021**: 2.1
- **2022**: 3.2
- **2023**: 1.3
- **2024**: 2.9
- **2025**: 2.9

**Near-Term Opportunities Are Higher Probability Compared to Later Years, Reflecting the Risk Resolution That Occurs as Projects Progress Through Development**

Launch equivalents include:
- NME launches in first major geography
- Novel combination products
- Novel vaccines and microbials
- Significant lifecycle/geographic entries
Innovation to Deliver Dependable 2%-3% Revenue Contribution

Development Pipeline Contribution to Revenue

$ Millions

- **Pet Health**
- **Farm Animal**

$80-$100

2021

$500-$600

2025

~3% CAGR

Near-term Farm Animal launches establish strong foundation for growth

- **Significant Pet Health products accelerate growth in later years**
  - CAGR estimates based on 2020 pro forma revenue of $4.37-$4.40 billion
Our Expectations for Innovation

Investment

-8% - 9% of annual net sales

pIRR
10% - 12%

Gross Margin
60%+ on average on pipeline assets

2025 Value
$500-$600M in baseline probabilistic sales

*pIRR represents the probabilized internal rate of return*
## 2021 Farm Animal New Product Launches

### Five New Launches

<table>
<thead>
<tr>
<th>Product</th>
<th>Species</th>
<th>Description</th>
<th>Geography</th>
<th>Market Size</th>
<th>Launch Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elanco Experior</td>
<td>Cattle</td>
<td>Novel in feed technology with environmental claim</td>
<td>🇺🇸 🇨🇦</td>
<td>Market Creation</td>
<td>Q1 2021</td>
</tr>
<tr>
<td>Elanco Increxxa</td>
<td>Cattle</td>
<td>Injectable <em>tulathromycin</em> antibiotic in BRD(^1)/SRD(^2)</td>
<td>🇺🇸 🇪🇺</td>
<td>+++</td>
<td>Q1 2021</td>
</tr>
<tr>
<td>Elanco Cosabody</td>
<td>Poultry</td>
<td>Natural IL-10 antibody with a novel MoA(^3); Suitable for RWA(^4)</td>
<td>🇺🇸 🇪🇺</td>
<td>++</td>
<td>Q2 2021</td>
</tr>
<tr>
<td>(5)</td>
<td>Poultry</td>
<td>Anticoccidial Portfolio Expansion; Suitable for RWA</td>
<td>🇺🇸</td>
<td>+</td>
<td>Q1 2021</td>
</tr>
</tbody>
</table>

Note: Elanco analysis based on Vetnosis, AnimalPharm, and other public and proprietary data sources.

\(^{1}\) Bovine Respiratory Disease \(^{2}\) Swine Respiratory Disease \(^{3}\) Mode of Action \(^{4}\) Raised Without Antibiotics \(^{5}\) Intent to Announce Two RWA Products in Q1 2021

+ = up to $200M \quad ++ = $200M - $999M \quad +++ = ≥$1B
### Three New Launches

<table>
<thead>
<tr>
<th>Product</th>
<th>Species</th>
<th>Description</th>
<th>Geography</th>
<th>Market Size</th>
<th>Launch Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credelio PLUS</td>
<td>Dog</td>
<td>Oral Monthly Flea/Tick/Heartworm</td>
<td>🇯🇵 🇪🇺 🇬🇧</td>
<td>+++</td>
<td>Q1 2021</td>
</tr>
<tr>
<td>Credelio</td>
<td>Cat</td>
<td>Oral Monthly Flea/Tick</td>
<td>🇺🇸</td>
<td>++</td>
<td>Q2/Q3 2021</td>
</tr>
<tr>
<td>Elura</td>
<td>Cat</td>
<td>Oral Solution for Weight Loss Management in CKD(1)</td>
<td>🇺🇸</td>
<td>+</td>
<td>Q1 2021</td>
</tr>
</tbody>
</table>

Note: Elanco analysis based on Vetnosis, AnimalPharm, and other public and proprietary data sources.

(1) Chronic Kidney Disease

+ = up to $200M  
++ = $200-$999M  
+++ = ≥$1B
Expect to Launch Eight New Products in 2021

Farm Animal

- Experior
- Inrexxa
- Casobody

Pet Health

- Credelio PLUS
- Credelio
- Elura

$80M – $100M Revenue

8 New Product Launches

One launch with blockbuster potential

Total of $80-$100M, in-line with long-term expectations of 2%-3% annual growth

Multiple launches across species and geographies

(1) Raised Without Antibiotics
Market Overview: Pet Health Parasiticides

Category Size

$5.3B

Market Attractiveness

+ History of market growth through innovation
+ Strong demand through high media spend
+ Increased customer access through diverse channels
+ Strong margin profile across all three sub-categories

- Increasing competition due to market attractiveness

Elanco’s Innovation Focus Areas

1. Oral endecto
2. Novel mode of action heartworm prevention
3. Single dose, season-long ecto
4. OTC-specific innovation

Note: Elanco analysis based on Vetnosis, AnimalPharm, and other public and proprietary data sources.

(1) Ectoparasiticides include products that are effective against external parasites (such as fleas and ticks)
(2) Endectoparasiticides include products that are effective against both external and internal parasites (such as intestinal worms or heartworms) in a single product
(3) Endoparasiticides include products that are effective against internal parasites.
# Pet Health Parasiticide Pipeline

Robust Pipeline with Intention to Deliver One Parasiticide Innovation on Average Per Year Through 2025

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Description</th>
<th>Species</th>
<th>Market Focus</th>
<th>Peak Sales Opportunity</th>
<th>Regulatory Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Credelio Cat lotilaner</td>
<td>Oral Monthly Flea/Tick</td>
<td>Cat</td>
<td>U.S. Veterinary</td>
<td>2020 Approved 2021 Launch</td>
</tr>
<tr>
<td>3</td>
<td>3x Endecto&lt;sup&gt;(1)&lt;/sup&gt; Assets</td>
<td>Oral Monthly Flea/Tick</td>
<td>Dog</td>
<td>Global Veterinary</td>
<td>Submission Range (average of one per year)</td>
</tr>
<tr>
<td></td>
<td>• Flea/tick/heartworm</td>
<td></td>
<td>Cat</td>
<td>Global Veterinary</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>2x Extended Duration Ecto&lt;sup&gt;(2)&lt;/sup&gt; Assets</td>
<td>Oral Monthly Flea/Tick</td>
<td>Dog</td>
<td>U.S. OTC</td>
<td>2024</td>
</tr>
<tr>
<td>7</td>
<td>• 2 different forms</td>
<td></td>
<td>Cat</td>
<td>U.S. OTC</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>2x Novel MoA Endo&lt;sup&gt;(3)&lt;/sup&gt; Assets</td>
<td>Oral Monthly Flea/Tick</td>
<td>Dog</td>
<td>Global Veterinary</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>• Different spectrums and novel mechanisms</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>2x Season-Long Duration Novel Ecto Assets</td>
<td>Oral Monthly Flea/Tick</td>
<td>Dog</td>
<td>Global Veterinary</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>• Flea/tick efficacy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Different delivery forms</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$10-$49M</th>
<th>$50-$99M</th>
<th>≥$100M</th>
</tr>
</thead>
</table>

(1) Endectoparasiticide includes products that are effective against both, external and internal parasites in a single product.
(2) Ectoparasiticides include products that are effective against external parasites (such as fleas and ticks).
(3) Endoparasiticide include products that are effective against internal parasites.

Table represents total shots on goal, based on current pipeline and does not account for expected attrition. Peak sales opportunity is deterministic considering all shots on goal.

Total of 11 parasiticides assets with regulatory events by 2025

Five projects with regulatory events between 2021-2024, with an average of one per year expected.

Attractive future market categories well-covered with multiple shots on goal.
Market Overview: Pet Health Dermatology

Category Size

$1.2B

- Zoetis ~70%
- Elanco ~13%
- Virbac ~5%
- Other ~12%

Market Attractiveness

- Relatively underdeveloped market with strong growth history and more upside potential
- Top four reasons for a vet consultation is dermatology (not considering preventive care)\(^{(1)}\)
- Historical success based on amelioration of symptoms (itch, inflammation)
- Almost purely incremental opportunity for Elanco, outside of Atopica and otitis externa
- Dominated by two products, offered by a single company

Elanco’s Innovation Focus Areas

1. Diversity in mode of action and type of molecule (small molecule/biologic)
2. Itch/inflammation relief and disease modification

Note: Elanco analysis based on Vetnosis, AnimalPharm, and other public and proprietary data sources

\(^{(1)}\) Vet Practice Report April 2015
# Pet Health Therapeutics Pipeline

**Development of Diversified Dermatology Assets and Specialized Cat Portfolio**

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Description</th>
<th>Species</th>
<th>Market Focus</th>
<th>Peak Sales Opportunity</th>
<th>Regulatory Events</th>
</tr>
</thead>
</table>
| 1          | Elura (capromorelin) Oral Solution for Weight Loss Management in CKD(1) | Cat | U.S. Veterinary |  | 2020 Approved  
2021 Launch |
| 2          | 1x Transdermal Post-Operative Pain Asset | Cat | U.S. Veterinary |  | Submission |
| 3          | 3x Oral Anti-Inflammatory Assets  
• Differentiated assets with diverse MoAs(2)  
  - Atopic dermatitis/pruritis  
  - Allergy/inflammation  
  - Pruritis/inflammation | Dog | Global Veterinary |  | 2022 Submission |
| 4          |                         | Dog | Global Veterinary |  | Submission Range |
| 5          |                         | Dog | Global Veterinary |  | (average of one per year) |
| 6          | Oral Cat Asset  
• Anemia associated with CKD(1) | Cat | Global Veterinary |  |  |
| 7          | 2x Injectable Monoclonal Antibody Assets | Dog | Global Veterinary |  | |
| 8          |                         | Dog | Global Veterinary |  | |

Total of eight pet therapeutics assets with regulatory events by 2025

Six therapeutic assets with planned submissions between 2022 and 2025

Robust dermatology pipeline with oral anti-inflammatory and injectable monoclonal antibody products

<table>
<thead>
<tr>
<th>Year</th>
<th>Approved</th>
<th>Launch</th>
<th>Submission</th>
<th>Submission Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table represents total shots on goal, based on current pipeline and does not account for expected attrition. Peak sales opportunity is deterministic considering all shots on goal.

- (1) Chronic Kidney Disease  
- (2) Mode of Action

**Portfolio Enhancements**

- $10-$49M
- $50-$99M
- ≥$100M
Farm Animal Focuses on Driving Customer Outcomes in High-Value Areas

Identify Customer Needs
- Focus on un-met needs or dissatisfaction in large, addressable spaces

Leverage Core Strengths
- Technology platforms
- Portfolio enhancements
- Enter new categories

Create New Platforms
- Replace older technology
- Revolutionize the space

Technology Platforms
Small Molecules, Biological Agents, Microbiome
# Farm Animal Pipeline

Well-Stocked Pipeline with Breadth and Depth to Support Core Species

<table>
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<tr>
<th>Identifier</th>
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<th>Peak Sales Opportunity</th>
<th>Regulatory Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Experior <em>lubabegron</em> Novel In-Feed Technology with Environmental Claim</td>
<td>Cattle</td>
<td>U.S., CAN Livestock</td>
<td>🔄</td>
<td>Approved Launch</td>
</tr>
<tr>
<td>2</td>
<td>Increxxa <em>tulathromycin</em> Injectable Tulathromycin for BRD(1)/SRD(2)</td>
<td>Cattle</td>
<td>Global Livestock</td>
<td>🔄</td>
<td>EU 2021</td>
</tr>
<tr>
<td>3</td>
<td>Cosabody <em>IL-10</em> Nutritional Solution with Novel MOA(3)</td>
<td>Poultry</td>
<td>Global Livestock</td>
<td>🔄</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Anticoccidial Portfolio Expansion. Suitable for RWA(4)</td>
<td>Poultry</td>
<td>U.S. Livestock</td>
<td>🔄</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>50+ Total Projects</td>
<td>Various</td>
<td>Peak Range</td>
<td>🔄</td>
<td></td>
</tr>
</tbody>
</table>

### Five launches in 2021, including breakthrough innovation, anti-infectives and anti-coccidials

- EU Launch
- >90 additional projects in Farm Animal, including early development and research

### Diverse array of assets, spanning cattle, poultry, swine, and aqua, as well as all focus innovation areas

- Various Species, Incl. Aqua
- Various Markets

## Table Notes
- Portfolio Enhancements
  - (1) Bovine Respiratory Disease
  - (2) Swine Respiratory Disease
  - (3) Mode of Action
  - (4) Raised Without Antibiotics
- Regulatory Events
  - Approved
  - Launch

Table represents total shots on goal, based on current pipeline and does not account for expected attrition. Peak sales opportunity is deterministic considering all shots on goal.
Research Platforms at Elanco – Pioneering Next Generation Products

**Biopharma**
1. Biotherapeutics
2. Rationally Engineered Vaccines
3. RNA/DNA delivered Biologics

**Microbiome**
4. Microbiome Modulation
5. Microbial Delivery Platforms
6. Microbes and Drug Discovery

**Chemistry**
7. Parasiticides
8. Therapeutics

Innovation

Novel Actives

Products
Elanco Innovation Model
Internal R&D Complemented by External Initiatives

1. Complement & Supplement Core R&D Pipeline
   - Research
   - Exploratory Development
   - Product Development
   - Submission/Approval
   - Launch/Commercialization/Lifecycle

2. Provide Entry Points into New Platforms Categories Alliances
   - R&D Technology Licenses
   - Molecule Licenses
   - Product Development Licenses/Collaboration
   - Product/Platform Joint Ventures
   - Commercial Alliances

3. Out-License of Lotilaner for Human Indications
   - External Innovation Ventures
   - Elanco Connected Care Strategy
   - Capture Additional Value from Elanco Innovation

Growth
- External +
- Internal −
- ~2%3%
Dependable 2%-3% Annual Revenue Growth from Innovation

Innovation Takeaways

- Annual innovation contribution of 2%-3% revenue growth, with 60%+ gross margin and IRR of 10%-12%
- Strong start in 2021: Eight expected launches, delivering $80-$100M
- Compelling pipeline transparency, pursuing high-value targets in parasiticides, dermatology, and Farm Animal
- Clear growth areas allow for targeted investment, leading to $500-$600M in new product revenue in 2025
- Robust innovation capabilities, leveraging best talent and assets from a decade of transformation