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J.P. Morgan Healthcare Conference

Elanco

TM

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President & Chief Executive Officer

Forward-looking statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (Exchange Act), including, without limitation, our long-term revenue and earnings growth expectations, reduction of debt and leverage, expectations regarding product launches and related regulatory proceedings, and our industry and our operations, performance, and financial condition. 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 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: heightened competition, including from generics; the impact of disruptive innovations and advances in veterinary medical practices, animal health technologies and alternatives to animal-derived protein; changes in regulatory restrictions on the use of antibiotics in farm animals; our ability to implement our business strategies or achieve targeted cost efficiencies and gross margin improvements; consolidation of our customers and distributors; an outbreak of infectious disease carried by farm animals; the impact on our operations, the supply chain, customer demand, and our liquidity as a result of the COVID-19 global health pandemic; the potential impact on our business and global economic conditions resulting from the conflict involving Russia and Ukraine; the success of our R&D and licensing efforts; 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; fluctuations in our business results due to seasonality and other factors; the impact of weather conditions and the availability of natural resources; risks related to the modification of foreign trade policy; risks related to currency rate fluctuations; our dependence on the success of our top products; the impact of customer exposure to rising costs and reduced customer income; the lack of availability or significant increases in the cost of raw materials; use of alternative distribution channels and the impact of increased or decreased sales to our channel distributors resulting in fluctuation in our revenues; risks related to the write down of goodwill or identifiable intangible assets; risks related to the evaluation of animals; manufacturing problems and capacity imbalances; 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; actions by regulatory bodies, including as a result of their interpretation of studies on product safety; risks related to tax expense or exposure; risks related to environmental, health and safety laws and regulations; risks related to our presence in foreign markets; challenges to our intellectual property rights or our alleged violation of rights of others; our dependence on sophisticated information technology and infrastructure and the impact of breaches of our information technology systems; the impact of increased regulation or decreased financial support related to farm animals; adverse effects of labor disputes, strikes, work stoppages, and the loss of key personnel or highly skilled employees; risks related to underfunded pension plan liabilities; our ability to complete acquisitions and successfully integrate the businesses we acquire, including KindredBio and the animal health business of Bayer (Bayer Animal Health); the effect of our substantial indebtedness on our business, including restrictions in our debt agreements that will limit our operating flexibility; and risks related to certain governance provisions in our constituent documents.

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.

A Leader In The Growing Animal Health Industry



Today's Focus

Attractive Global Industry Backdrop driven by increased pet ownership and protein demand

Independent, Product-Focused Animal Health Leader

Innovation, Portfolio, Productivity (IPP) Strategy to Optimize Serving Customers and Creating Value

Differentiated Trends to Watch in Animal Health

Elanco well positioned with next era of innovation and growth to drive **meaningful long term value creation**

Animal Health Market Expected to Remain Durable in 2023



Pet Health

\$14B Global Industry

Pet ownership and “humanization” of pets a continued tailwind globally

Innovation and increased compliance and convenience expected to drive growth

Vet labor and capacity constraints continue, while **spend** expected to grow

Economic pressure impacting the retail channel; specifically in the US and Europe



Farm Animal

\$22B Global Industry

Protein demand continues to grow globally driven by increasing GDPs, expanding protein diets, and efficient trade

Environmental Sustainability expected to create the next area of industry opportunity

Elevated input costs, drought and disease pressure impacting producer profitability

Uncertainty in Chinese protein markets

Industry Success Factors: **Broad Portfolios, Innovation, Global Reach, Value-added Capabilities**

Elanco: An Independent, Product-Focused Leader



Key Financial Metrics

2022 Guidance Midpoint (as of November 8, 2022)

\$4.408 B

Revenue

\$1.028 B

Adj. EBITDA⁽¹⁾

\$1.04

Adj. EPS⁽¹⁾

An Independent Global Leader

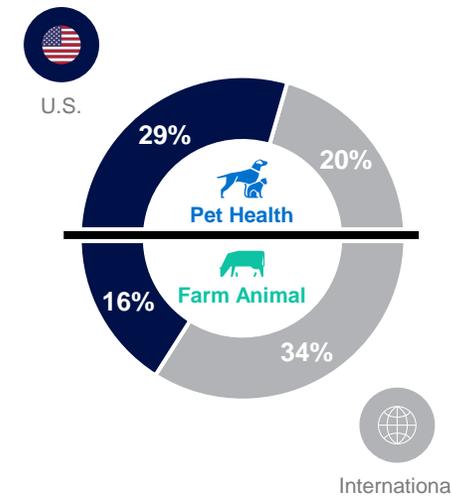
Improved Mix, Optimized Infrastructure

- ✓ Completed independent stand up
- ✓ Intentional portfolio shift towards high margin Pet Health
- ✓ Decisive actions and disciplined execution on synergy capture and productivity
- ↗ Bayer systems integration expected to be completed in Q2 2023
- ↗ Path to 5 potential blockbusters⁽²⁾ approved by H1 2024

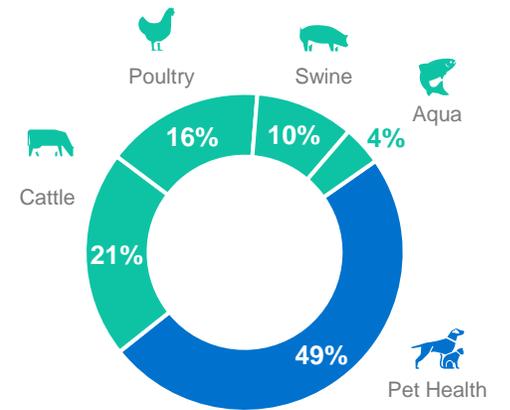
Diverse, Global Portfolio

Balanced Across Geography and Species

Revenue Category by Geography



Revenue by Species



Percentages may not add due to rounding.

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

(2) 5 potential blockbusters include Experior, parvovirus treatment, broad spectrum parasiticide, and JAK Inhibitor and IL-31 in dermatology.

Note: Financials based on the midpoint of 2022 full year guidance, as provided in the Company's Q3 2022 earnings presentation issued on November 8, 2022.

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IPP: Innovation, Portfolio, Productivity

Elanco's Strategy to Optimize Serving Customers and Creating Value

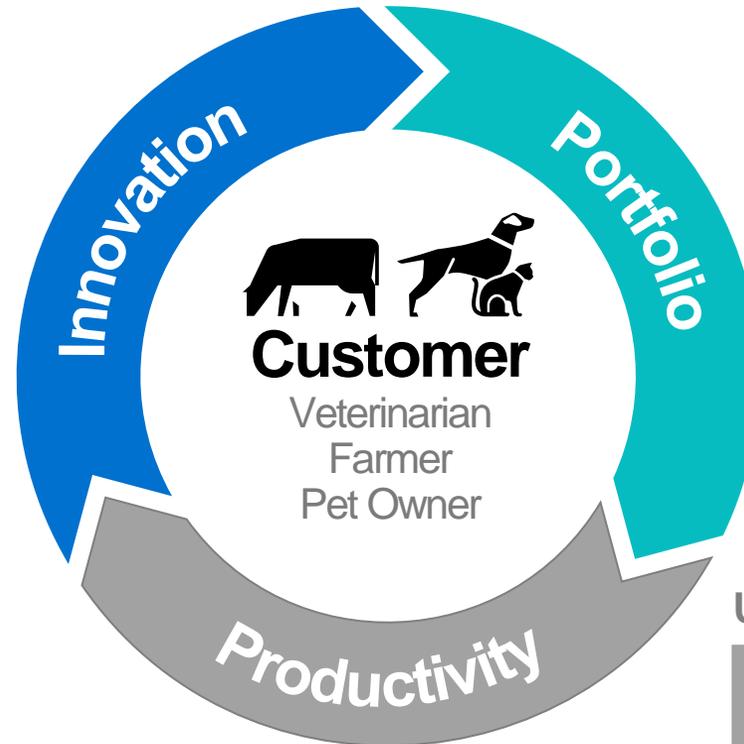
Concentrated in Areas of Highest Potential

Focused on consistently delivering high margin products in large market spaces

8 product approvals in major markets in 2022; additional approvals expected in 2023

Path to 5 potential blockbusters (\$100M+) approved by H1 2024

Expect to deliver \$600 to \$700M in innovation sales by 2025



Strengthening Mix and Margin

Innovation & Focus⁽¹⁾ Brands to lead growth

Execution on enablers⁽²⁾ remains key to portfolio strategy

Pet Health: Broad, global parasiticide portfolio; Growing therapeutics

Farm Animal: Share gain in poultry and aqua; Building and shaping sustainability

Unlocking Value

Company wide productivity actions driving margin expansion since IPO

Adjusted EBITDA⁽³⁾ synergies of \$345M expected by 2023

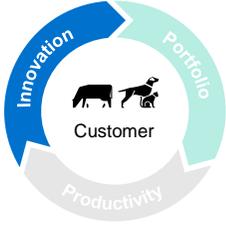
One-time cash costs associated with integration and restructuring expected to step down starting in 2024

(1) Focus Brands are defined as Seresto, Galliprant, Credelio, Interceptor Plus, Claro and the Poultry and Aqua portfolios.

(2) Growth Enablers are defined as launch excellence, omnichannel leadership, geographic focus, pricing, and digital ecosystem.

(3) Non-GAAP financial measure. See Appendix to this presentation for more information.

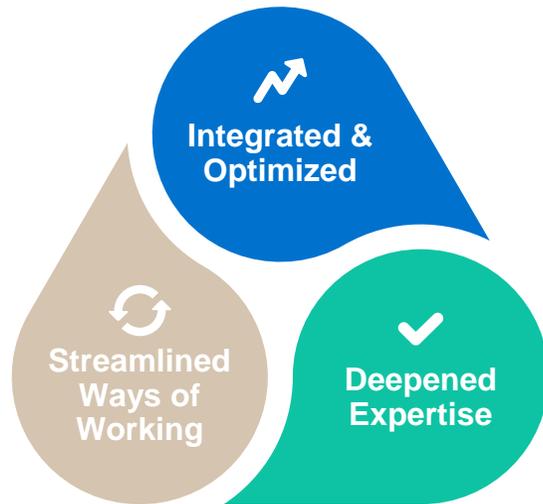
IPP: Consistent, High Impact **Innovation** in Animal Health



1

Refreshed Structure

The One Elanco R&D organization has moved past integration, entering a more stable phase. With optimized resource allocation, streamlined ways of working, and deepened technical expertise in key areas, our highly experienced, capable team is poised to deliver.



2

Focused Pipeline

Elanco has prioritized assets, including late-stage potential blockbusters, with the potential to complete in large markets through both funding and allocation of time for top talent. Balanced with attention to life cycle management and early-stage pipeline to drive consistent flow of innovation.



Prioritize

Large Market Spaces
Path to **5 potential blockbusters** approved by the first half of 2024

Maximize

Life Cycle Management

Refill

Focus on Differentiation

3

Partner of Choice

Elanco embraces an internal / external innovation model, allowing us to be generally agnostic on sources of innovation. Elanco is a true partner of choice in the industry and actively evaluating opportunities aligned with our targeted platforms.



Recent Examples

Kindred

mAb platform and dermatology

Bexacat

novel SGLT-2 feline diabetes treatment

Bovaer⁽¹⁾

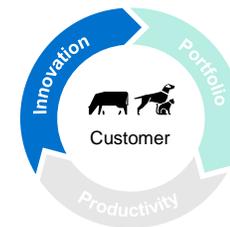
methane-reducing feed additive for cattle

Numerous early-stage collaborations

(1) Announced licensing of Bovaer on April 27, 2022. The product is not yet approved in the U.S.

IPP: Progress and Outlook for Elanco's Next Era of Growth

Preparing for a historic innovation launch window for Pet Health in '23 and '24



Asset	U.S. Regulatory Agency	Species	Research	Exploratory Development	Product Development	Initial Submission ⁽¹⁾	Approval	Peak Sales Opportunity ⁽³⁾	
Zorbium Pain	FDA (Rx)		[Progress bar]						
Advantage XD OTC Flea	EPA (OTC)		Advantage XD Cat						
			Advantage XD Dog					H2 2023 ⁽²⁾	
Bexacat SGLT-2 Diabetes	FDA (Rx)		[Progress bar]					✓ Q4 2022	
KIND-030 Parvovirus	USDA (Rx)		[Progress bar]					By Q1 2023 ⁽²⁾ (conditional)	
Broad Spectrum Parasiticide	FDA (Rx)		[Progress bar]					H1 2024 ⁽²⁾	
JAK Inhibitor Dermatology	FDA (Rx)		[Progress bar]				✓ Q4 2022	H1 2024 ⁽²⁾	
IL-31 SA Antibody Dermatology	USDA (Rx)		[Progress bar]				H1 2023 ⁽¹⁾	H1 2024 ⁽²⁾	

\$10-\$49M
 \$50-\$99M
 ≥\$100M
 Progress since Q3 2022 Earnings Call

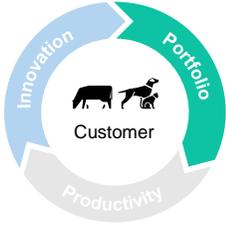
(1) Expected submission timing is based on internal estimates and could change as programs evolve.

(2) Potential approval timing is subject to regulatory agency outcomes.

(3) Potential peak sales represent the level of annual sales expected for a product on a global basis at its peak.

IPP: A Global, Diverse **Portfolio** Reaching the World's Animals

Improving Product Mix Drives Stability & Margin Strength



Pet Health

- + **Market Leader** in OTC parasiticides, pain
- **Competitive Innovation** in Rx parasiticides
Portfolio Gap in dermatology
- ↗ **Innovating** across dermatology, broad spectrum and OTC parasiticides, other therapeutics

- + **Market Leader** in topical & collar parasiticides
Market Expansion in emerging markets
- **Market Pressure** as a result of economic climate, primarily in Europe
- ↗ **Innovating** in dermatology
Driving OTV⁽¹⁾ Expansion for parasiticides



Farm Animal

- + **Market Leader** in Poultry and Swine
Top 2 Player in Cattle
- **Generic Pressure** impacting price performance
Portfolio Gap in vaccines
- ↗ **Driving Industry Focus** on sustainability
Expanding portfolios and value beyond product

- + **Market Leader** in Poultry⁽²⁾ and Swine⁽²⁾
Top 2 Player in Aqua
- **Market Access pressure** for MFAs⁽³⁾
Portfolio Gap in vaccines
- ↗ **Expanding portfolios** through geo-expansion and life cycle management

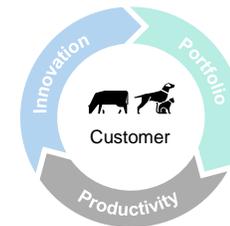
(1) OTV = outside the vet

(2) Excluding vaccines

(3) MFA = medicated feed additives

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IPP: Productivity Progress & Proof Points



✓ 7 Consecutive Quarters

of adjusted EBITDA margin ⁽¹⁾ expansion; Latest guidance implies adjusted EBITDA margin expansion for full year 2022 ⁽²⁾

✓ Reduced Footprint ⁽³⁾

with reduction of R&D sites from 9 to 6 and internal manufacturing sites from 20 to 17

✓ Right-sized Corporate Structure Post-Acquisition

by consolidating international org. structure, streamlining global functions, and further focusing R&D investment areas

✓ Enhanced Ownership Mentality

with Elanco Cash Earnings and Employee Stock Purchase Plan

↗ Adjusted EBITDA Synergies

expected to reach between \$395 and \$405 million by 2024, above initial expectations

↗ ERP System Integration

accelerated to Q2 2023, representing last major integration cash need, ahead of initial expectations

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

(2) Based on the midpoint of 2022 full year guidance, as provided in the Company's Q3 2022 earnings presentation issued on November 8, 2022.

Note: At the midpoint of our latest guidance issued on November 8, 2022, Adjusted EBITDA Margin is expected to decline in the fourth quarter.

(3) Represents data from initial Bayer animal health acquisition footprint in August 2020 compared to footprint at year-end 2022.

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Key Considerations for 2023

Tailwinds

Innovation ramp and new launches

More consistent supply chain inputs

Price growth

Improving dynamics in China

Productivity efforts to continue; inflation cools

Headwinds

Economic slowdown continuing to impact Europe and U.S. pet retail markets

Competition in U.S. Pet Health business and Farm Animal generics

Important investments in R&D, launch, manufacturing

Higher interest rates

U.S. dollar strength in H1



Focus

IPP
Strategy

Control the
Controllables

Advancing
Capabilities

Debt
Paydown

Differentiated Trends to Watch in Animal Health

Elanco is well positioned in the key areas driving future industry growth

Innovation

Emergence of generic models, primarily in Farm Animal market; increased importance of innovation and portfolios of solutions

Sustainable industry-wide **price growth** driven by innovation and differentiation

Globalization

Increases in ownership and humanization of pets outside the U.S. is driving **market expansion** and **increased spend** across developed and emerging markets

Global access to trade for meat is essential to enable sustainable demand, reduce cyclical and support producer profitability

Farm Sustainability

The intersection of:

- **Animal Health**
- **Human Health**
- **Environmental Health**

Livestock can play a positive role in sustainability, with further maturation of the carbon market being essential

A Compelling Long Term Value Proposition



Leader in Attractive, Durable Global Market

Increasing demand for protein
Pet ownership and spending tailwinds



Targeted Value-Generating Strategy

Innovation, Portfolio, and Productivity (IPP) strategy,
with EVA-like compensation model



Disciplined Delivery, Executing on the Controllables

Reduced costs and expanded margins amidst macro challenges,
with optimized infrastructure to support growth from innovation



Late-Stage Pipeline Progressing

Path to 5 potential blockbuster approvals by the first half of 2024,
balance to optimize lifecycle management and refill early stage



Appendix

Guidance and GAAP reported to
non-GAAP adjusted reconciliations

ElancoTM



Full Year 2022

Financial Guidance⁽¹⁾

(as of November 8, 2022)

\$ millions, except
per share values

	November
Revenue	\$4,385-\$4,430
Reported Net Loss	\$(82)-\$(57)
Adjusted EBITDA⁽²⁾	\$1,010-\$1,045
Reported Diluted EPS	\$(0.17)-\$(0.12)
Adjusted Diluted EPS⁽²⁾	\$1.01-\$1.07

(1) Represents 2022 full year guidance, as provided in the Company's Q3 2022 earnings presentation issued on November 8, 2022.

(2) Non-GAAP financial measure. See slides 16 and 17 for the GAAP to non-GAAP reconciliations.

Full Year 2022

EPS Guidance Reconciliation⁽¹⁾

(as of November 8, 2022)

Reported (Loss) per Share	\$(0.17) - \$(0.12)
Amortization of Intangible Assets	\$1.07
Asset Impairment, Restructuring, and Other Special Charges ⁽²⁾	\$0.39 - \$0.40
Other Expense, Net	\$0.04
Subtotal	\$1.50 - \$1.51
Tax Impact of Adjustments	\$(0.33) - \$(0.32)
Total Adjustments to Earnings (Loss) per Share	\$1.18
Adjusted Earnings per Share⁽³⁾	\$1.01 - \$1.07

Note: Numbers may not add due to rounding

(1) Represents 2022 full year guidance, as provided in the Company's Q3 2022 earnings presentation issued on November 8, 2022.

(2) Asset impairment, restructuring, and other special charges adjustments primarily relate to integration efforts of acquired businesses, including the animal health business of Bayer, and IPR&D related to the feline diabetes care asset Elanco licensed during the second quarter.

(3) Adjusted EPS is calculated as the sum of reported EPS and total adjustments to EPS.

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Full Year 2022

EBITDA Guidance Reconciliation⁽¹⁾

(as of November 8, 2022)

\$ millions

Reported Net Loss	\$(82) - \$(57)
Net Interest Expense	Approx. \$245
Income Tax Provision	\$(9) - \$(5)
Depreciation and Amortization	Approx. \$680
EBITDA	\$836 - \$865
Non-GAAP Adjustments	
Asset Impairment, Restructuring, and Other Special Charges	Approx. \$195
Accelerated Depreciation and Other Special Charges	Approx. (\$20)
Other Expense, Net	\$2
Adjusted EBITDA	\$1,010 - \$1,045
Adjusted EBITDA Margin	23.0% - 23.6%

(1) Represents 2022 full year guidance, as provided in the Company's Q3 2022 earnings presentation issued on November 8, 2022.

Note: Numbers may not add due to rounding

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