Disclaimer

This contains management’s current intentions and expectations for the future, all of which are 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. The words “estimate”, “seek”, “intend”, “expect”, “believe”, “target”, “anticipate”, “plan” and similar expressions are intended to identify forward-looking statements. Actual results may differ materially due to various factors.

There are significant risks and uncertainties in animal health research and product development. There can be no guarantees that pipeline products will receive the necessary regulatory approvals or that they will prove to be commercially successful. The company’s results may also be affected by such factors as the timing of launches of new products; market uptake of recently launched products; competitive developments affecting current products; unexpected safety or other concerns associated with the company’s products; issues with product supply stemming from manufacturing difficulties or disruptions; regulatory changes or other developments; litigation involving current or future products; unauthorized disclosure of trade secrets or other confidential data stored in the company’s information systems and networks; changes in tax law and regulations, including the impact of tax reform legislation enacted in December 2017 and related guidance; changes in inflation, interest rates, and foreign currency exchange rates; asset impairments and restructuring charges; changes in accounting standards promulgated by the Financial Accounting Standards Board and the Securities and Exchange Commission (SEC); acquisitions and business development transactions and related integration costs; and the impact of exchange rates and global macroeconomic conditions.

For additional information about the factors that could cause actual results to differ materially from forward-looking statements, please see the company’s Prospectus related to its initial public offering filed with the SEC on September 21, 2018. You should not place undue reliance on forward-looking statements, which speak only as of the date of this release. Except as is required by law, the company expressly disclaims any obligation to publicly release any revisions to forward-looking statements to reflect events after the date of this release.
Our Vision
Food and companionship enriching life

Established Leader; Enduring Brands; Global Presence

Size, Scale, and Strategy: Positioned for Next Era of Growth

Food and companionship enriching life

- **$3B** tripling revenue since 2005
- **5,880** employees
- **Products in ~90+ countries**
- **Employees in ~46 countries**
- **Top 4** in all four key regions
- **Top 3** Cattle | Poultry | Medicated Feed Additives
- **125+** Brands

Since 1954

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Elanco is Diversified and Largely Disentangled

2017 Sales By Geography
Diversified Geographies

2017 Sales By Business
Balanced portfolio

Footprint Disentangled from Lilly

Manufacturing

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1 LATAM includes aquaculture from all regions
2 Elanco intends to exit ownership of its Cali, Columbia site
Compelling Value Proposition

**Leader in attractive global market**
*Increasing demand for protein.*
*Growing pet ownership and spend.*

**Proven track record**
*Legacy of growth and transformation in a dynamic industry.*

**Targeted value-generating strategy**
*Portfolio, Innovation and Productivity.*

**Significant margin opportunity**
*Identified and acting on initiatives to achieve margin goals.*

**Progressing on strategy**
*Delivering to our expectations*

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**Grow Revenue**
*+5% projected industry growth 2017-2023*
*+4% to +6% Core Elanco growth 2019 guidance*

**Increase Productivity & Profitability**
*4 manuf. sites exited since 2015*
*7 R&D sites exited since 2015*
*Reduced physical presence from ~70 to 46 countries*
*+700bps Adj. EBIT margin YTD Sept 2018 vs. FY 2015*
*+12% Adj. EBIT CAGR 2015-2017*

**Sustained Innovation**
*11 products launched 2015-Sept 2018 | ~3 per year*
*$204M revenue YTD Sept 2018 – 97% growth*
*36 potential new innovations in development*

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Note: Elanco revenue growth calculated at constant exchange rates.

1 Global animal health industry revenue is expected to grow nominally at a CAGR of 5% from 2017-2023, according to Vetnosis.

2 Excludes Strategic Exits, which include revenue from third-party manufacturing, distribution and other contractual arrangements, as well as an equine product not core to our business, which we have either exited or made the decision to exit.
Animal Health Differs from Human Health
Sustained Performance, Less Volatility

- Faster, more efficient product approval
- Sustained brand life post patent expiration
- Less dependence on a few big products, geographies
- Cash vs. payer market
- Direct, deep customer relationships
An Attractive Industry
Strong Growth Drivers

$34B
~5%
2017-2023 Growth

Global animal health industry revenue is expected to grow nominally at a CAGR of 5% from 2017-2023, according to Vetnosis.

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Unlocking Value

- Completed sale of Larchwood, IA facility
- Eliminate physical presence in 16 countries
- Streamline International business

Three Categories Where We Can Win

- New product revenues +$200M thru Q3 ‘18
- Re-introduction of Galliprant 100mg dose
- Credelio exceeding clinic penetration

Targeted Approach Creating Portfolio of Sustained Innovation

- Launch of Prevacent PRRS vaccine and nutritional health product, Correlink
- Expand Credelio to cats in EU
- Novozymes agreement for collaboration in cattle
- Approval of Experior in cattle

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1 Marketing, Selling and Administrative expense
2 Includes new chemical entities, new combinations, or significant line extensions
Strategically Positioned to Drive Innovation & Growth in Three Targeted Categories

Targeted growth categories

- **Companion Animal Disease Prevention**
  - Vaccines and Parasiticides
- **Companion Animal Therapeutics**
  - Chronic Disease
- **Food Animal Future Protein & Health**
  - Poultry, Aqua & Nutritional Health
- **Food Animal Ruminants & Swine**

**2017 Market Size:**
- $6.4B
- $4.4B
- $7.9B
- $15.5B

- Broad parasiticide & vaccines portfolios
- Emerging channel presence
- Emerging leadership in osteoarthritis and pain
- Continued portfolio innovation
- Leading solutions for greatest challenges
- R&D efforts in nutritionals
- Strong brand reputation with global presence
- Antibiotics stewardship

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## Strong Sales Momentum in Targeted Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Q3 YTD vs. PY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA Disease Prevention</td>
<td>+15%</td>
</tr>
<tr>
<td>CA Therapeutics</td>
<td>+13%</td>
</tr>
<tr>
<td>Future Protein &amp; Health</td>
<td>+9%</td>
</tr>
<tr>
<td>Targeted Growth Categories</td>
<td>+12%</td>
</tr>
<tr>
<td>Ruminants &amp; Swine</td>
<td>2%</td>
</tr>
</tbody>
</table>

### STRONG GROWTH IN

- All targeted growth categories
- Launching innovation
- Emerging channel & markets

Note: All numbers at constant exchange rates.
Our Prioritized Pipeline Focus: Targeted Platforms
Investing in Areas Where we are Best Positioned to Win

Companion Animal
- Therapeutic: Pain; Dermatology
- Vaccines: Novel Formulations; Geographic Expansion
- Parasiticides: Broad Portfolio; New Combinations; New MOAs

Food Animal
- Pharmaceuticals: Biopharma; Alternatives to Antibiotics
- Vaccines: Expand Poultry; Selected Targets In Other Species
- Nutritional Health: Digestive Health Focus; Expand to Pre/Probiotics
### Proven Track Record of Innovation & Product Launches

Portfolio Approach to Innovation Allows for Attractive Pipeline of Products

<table>
<thead>
<tr>
<th>Category</th>
<th>New Products Launched 2015- Q3 2018</th>
<th>New Product Shots on Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companion Animal</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Food Animal</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>11</strong></td>
<td><strong>36</strong></td>
</tr>
</tbody>
</table>

**New Product Revenues ($M)**

- **FY’15** - $24.7
- **FY’16** - $97.9
- **FY’17** - $143.8
- **YTD 2018** - $204.5

**Note:** We suspended commercialization of Imrestor in the second quarter of 2018. Revenues from Imrestor were $6.5M for the year ended December 31, 2017 and $1.0M for the six months ended June 30, 2018.
Productivity Agenda in Advanced Stage of Execution
85% of Productivity Initiatives are Currently Under Way

<table>
<thead>
<tr>
<th></th>
<th>Manuf. Headcount</th>
<th>Manuf. Sites</th>
<th>R&amp;D Sites</th>
<th>SKUs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>3,500</td>
<td>17</td>
<td>16</td>
<td>4,400 Reduced by 2,600</td>
</tr>
<tr>
<td>Q3 2018</td>
<td>2,330</td>
<td>13</td>
<td>9</td>
<td>4,400</td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Efficient independent company infrastructure (G&A, pensions, governance)

Manufacturing
- Continued manufacturing improvements
  - Site exits (Additional announced¹)
  - Procurement
  - Lean manufacturing
  - Utilization
  - CMO consolidation

Commercial / G&A
- Global sales force & C-country consolidation
- International Restructuring
- Procurement initiatives
  - Spend control towers
  - Key contracts renegotiation

¹ We are in the process of exiting our manufacturing site in Cali, Colombia.
Perspective on Industry Topics

- Trade and Tariffs
- Ag Economy Projections
- African Swine Fever
- Antibiotics
## 2019 Guidance

<table>
<thead>
<tr>
<th>Category</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$3.10 - $3.16 billion</td>
</tr>
<tr>
<td>Core Revenue (excluding Strategic Exits)</td>
<td>$3.04 - $3.10 billion</td>
</tr>
<tr>
<td>Strategic Exits</td>
<td>Approx. $0.06 billion</td>
</tr>
<tr>
<td>Earnings per Share (GAAP)</td>
<td>$0.36 - $0.48</td>
</tr>
<tr>
<td>Earnings per Share (non-GAAP)</td>
<td>$1.02 - $1.12</td>
</tr>
</tbody>
</table>
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Thank You