



Elanco Animal Health

FOR IMMEDIATE RELEASE

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Elanco becomes a fully dedicated animal health company

Basel, Switzerland (March 12, 2019) Elanco Animal Health Incorporated (NYSE: ELAN) recently announced that it is now a fully independent company, becoming the second largest exclusively dedicated animal health company in the world. Last September, Elanco listed on the New York Stock Exchange and on March 11 Eli Lilly and Company, Elanco's former parent company, completed the divestiture of its ownership. This completes the journey Elanco began in 2017, when Lilly first announced potential strategic alternatives for the 64-year-old animal health company.

Elanco's independence is a result of its diversification of the business and expansion of its global footprint - from largely a U.S. and livestock focused business to an even split between U.S. and international sales. Furthermore, the company built a strong pet business that now accounts for a third of the company globally.

"This is a historic day for everyone at Elanco," said Jeff Simmons, Elanco president and Chief Executive Officer. "It reflects our team's hard work over the past two years, the confidence that we have the right strategy and are successfully progressing the execution against it. With this milestone behind us, we look forward to a singular focus delivering innovative solutions and services for our customers – the farmers, veterinarians and pet owners that are central to our success. We welcome our new Elanco shareholders who join us and offer our appreciation to our customers, and Lilly for the decades of support."

Elanco is a leader in an attractive, growing global animal health market, which takes advantage of strong industry growth drivers: a global demand for protein –meat, milk, fish and eggs- increasing nearly than 75 percent by 2050¹ –poultry and aquaculture will see the greatest increase in demand. Further, more people have pets and are taking better care of them, which means pets are also living longer and may experience disease of aging, similar to people.

Animal well-being is also becoming increasingly important to consumers, whether a cat, a cow or chicken. People want animals to live quality lives and be well cared for. In fact, 60 percent of consumers say they are increasingly concerned about animal welfare and how livestock is raised.²

As a fully dedicated animal health company, Elanco will continue to identify targeted innovations to deliver on its promise to rigorously innovate to benefit farmers, pet owners, veterinarians and the animals in their care, as well as optimizing its product portfolio with product line and geographic extensions.

"Today marks a new chapter in Elanco's history as we start our journey as independent animal health company," said Ramiro Cabral Executive Vice President Elanco International. "We recognize that pet ownership has grown 5% in developed markets, and up to 50% in emerging markets over the past decade³. We also understand the challenges of the global protein demand. We can't meet growing demand simply by adding animals, we must raise our livestock animal more efficiently."

¹ FAO. 2011. *World Livestock 2011 – Livestock in food security*. Rome, FAO. Retrieved from: <http://www.fao.org/3/i2373e/i2373e.pdf>
² Packaged Facts. 2017. *Animal Welfare: Issues and Opportunities in the Meat, Poultry, and Egg Markets in the U.S.* April.

Elanco has established a portfolio of trusted global brands and built strong customer relationships over the years, offering additional solutions and services beyond the products to support producers operationally and analytically.

“We are well positioned to capitalize on the strong industry growth drivers and look forward to building a bright future together with our customers and our employees”, Cabral adds.

With 5,800 employees and brand presence in 90 different countries, Elanco emphasizes its *Food and Companionship Enriching Life* vision across the world. Elanco is proud of the diversity of cultures, experiences, and approaches within the company, which are fundamental to accomplish the goals and objectives of the global marketplace, and especially, to achieve the expectations of the communities where its employees live and work.

ABOUT ELANCO

Elanco (NYSE: ELAN) is a global animal health company that develops products and knowledge services to prevent and treat disease in food animals and pets in more than 90 countries. With a 64-year heritage, we rigorously innovate to improve the health of animals and benefit our customers, while fostering an inclusive, cause-driven culture for more than 5,800 employees. At Elanco, we're driven by our vision of food and companionship enriching life - all to advance the health of animals, people and the planet. Learn more at www.elanco.com.