

# Animals Are the Answer

**Elanco**

TM

# Global and Growing

We empower **veterinarians, farmers, and pet owners** with the tools needed to help animals live healthy lives. Our products and knowledge services help prevent and treat disease in farm animals and pets in more than **90 countries**.



Founded in  
**1954**



Products sold in  
**90**  
countries



**Top 4**  
In all major  
markets

**Headquartered**  
in Greenfield,  
Indiana, USA

**20**  
Manufacturing Facilities

**~200**  
Brands

**\$4.4B**  
2020 combined  
company revenue on  
a proforma basis

**14**  
Major product  
approvals & launches  
since 2015

**10+**  
Acquisitions in  
the last **10 years**

**7%**  
Growth year over year  
Including Legacy Bayer  
products as of August 1, 2020

**8**  
New Launches  
for 2021

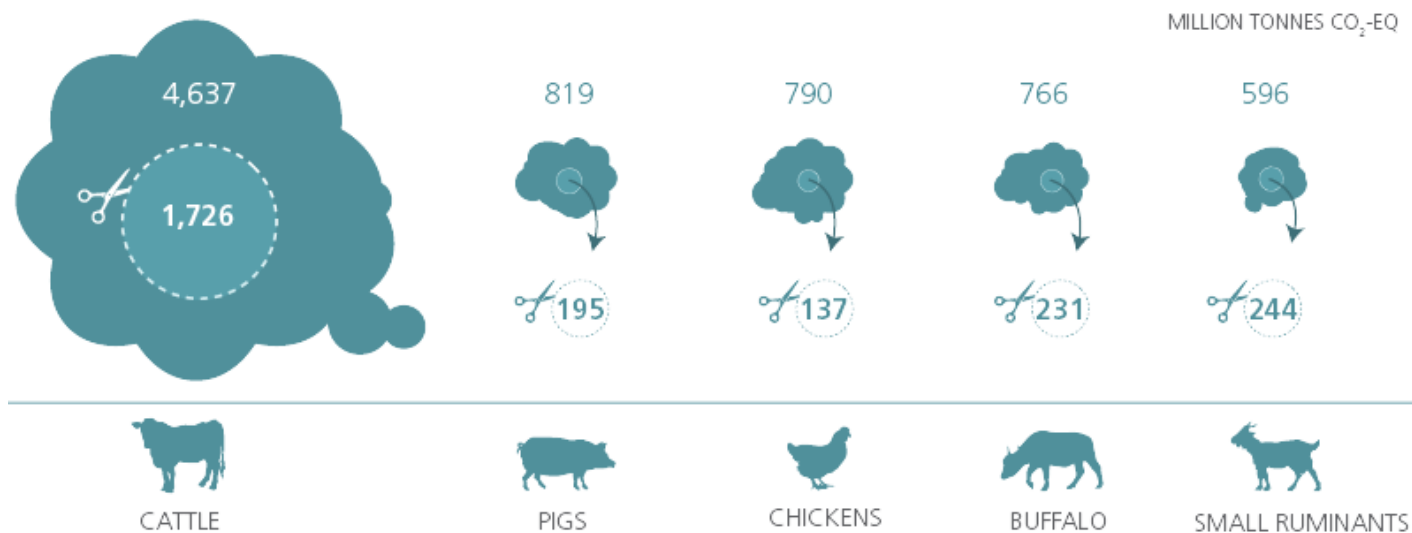
**~10,000**  
Employees

# Two of the Greatest Challenges Today

**Feeding the World.**

**Cooling the Climate.**

# Addressing Improvement Opportunities to Reduce GHG Emissions from Animal Farming - Biggest Impact in Cattle!



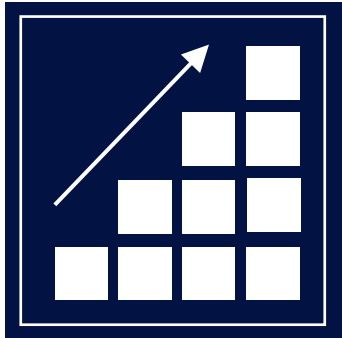
UN FAO estimates that **livestock GHG emissions could be cut 33%** while keeping output constant – *if global average production could move to the current top 10<sup>th</sup> percentile.*

**...This is where the animal health industry steps up!**

# Methane – The Misunderstood GHG

## Greenhouse Gases

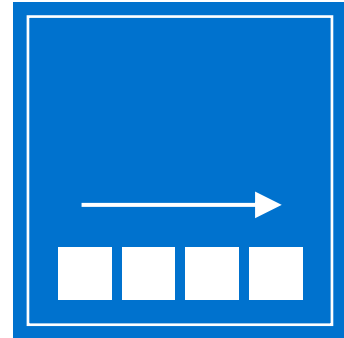
### Carbon Dioxide



- **Long-lived** stock gas
- Persists for **1,000 years**
- **Builds significantly** over time

- **Short-lived** flow gas
- Persists about **12 years**.
- **Remains constant** with constant emissions.
- Reduced emissions can create cooling.

### Methane



## Greenhouse Gas Lifespans



Shift from GWP100 to GWP\* to independently account for methane

# 4 Ways to Impact Methane + Other GHGs

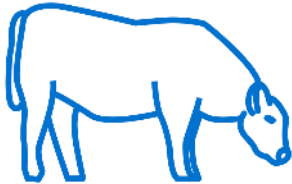
1.



## On the Land

- No till
- Cover Crops

2.



## In the Animal

- Genetics
- Nutrition management, increased digestibility
- Enteric health
- Methane-reducing feed ingredients

3.



## Out of the Animal

- Bio-digesters
- Valcor next gen digester
- Water usage

4.



## In the Value Chain

- Data and tracking
- Energy efficient operations

**Value creation:**  
Soil carbon sequestration credits

**Value creation:**  
Carbon credits attributed to reduction from feed additives

**Value creation:**  
Fertilizer revenue, water quality trade/credits, tax credits

**Value creation:**  
Avoided on-farm electric

# Elanco will be a Lead Partner to Net Zero

## *Four Ways We Add Value*



### Innovation

**Solutions** that reduce environmental impact

Elanco products reduce beef's footprint 11%, including first FDA approved product with an environmental claim

Continued effort to bring **game-changing innovation**



### Analytics

**A proprietary insights engine** to benchmark and track progress

Based on more than **20 years of data** in beef



### Value Creation

Establish and build **a Net Zero Ecosystem**

**Partnering to create Athian**, a new company designed to certify, aggregate and capture value.



### Change the Narrative

**Lead the conversation**

Advocate and tell the story.

**Strategically engage** in media and opinion shaping platforms.



**THIS IS ANIMAL AGRICULTURE'S  
DECADE OF OPPORTUNITY.**