# 2026 Earnings – Second Quarter

August 5, 2026

Elanco

# Notices and Disclaimers

**Forward-Looking Statements.** This presentation contains forward-looking statements within the meaning of the federal securities laws, including, without limitation, statements concerning product launches and revenue from such products, our 2026 full year and third quarter guidance, long-term expectations, our expectations regarding debt levels, and expectations regarding our industry and our operations, performance and financial condition, and including, in particular, statements relating to our business, growth strategies, distribution strategies, product development efforts and future expenses. 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 risk 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: operating in a highly competitive industry; the success of our research and development (R&D), regulatory approval and licensing efforts; the impact of disruptive innovations and advances in veterinary medical practices, animal health technologies and alternatives to animal-derived protein; competition from generic products that may be viewed as more cost-effective; changes in regulatory restrictions on the use of antibiotics in farm animals; an outbreak of infectious disease carried by farm animals; risks related to the evaluation of animals; consolidation of our customers and distributors; an increased use of alternative distribution channels or changes within existing distribution channels; our dependence on the success of our top products; our ability to complete acquisitions and divestitures and to successfully integrate the businesses we acquire; our ability to implement our business strategies or achieve targeted cost efficiencies and gross margin improvements; manufacturing problems and capacity imbalances, including at our contract manufacturers; fluctuations in inventory levels in our distribution channels; risks related to the use of artificial intelligence in our business; our dependence on sophisticated information technology systems and infrastructure, including the use of third-party, cloud-based technologies, and the impact of outages or breaches of the information technology systems and infrastructure we rely on; the impact of weather conditions, including those related to climate change, and the availability of natural resources; demand, supply and operational challenges associated with the effects of a human disease outbreak, epidemic, pandemic or other widespread public health concern; the loss of key personnel or highly skilled employees; adverse effects of labor disputes, strikes and/or work stoppages; the effect of our substantial indebtedness on our business, including restrictions in our debt agreements that limit our operating flexibility and changes in our credit ratings that lead to higher borrowing expenses and restrict access to credit; changes in interest rates that adversely affect our earnings and cash flows; risks related to the write-down of goodwill or identifiable intangible assets; the lack of availability or significant increases in the cost of raw materials; risks related to foreign and domestic economic, political, legal and business environments; risks related to foreign currency exchange rate fluctuations; risks related to underfunded pension plan liabilities; our current plan not to pay dividends and restrictions on our ability to pay dividends; the potential impact that actions by activist shareholders could have on the pursuit of our business strategies; risks related to tax expense or exposures; actions by regulatory bodies, including as a result of their interpretation of studies on product safety; the possible slowing or cessation of acceptance and/or adoption of our farm animal sustainability initiatives; the impact of increased regulation or decreased governmental financial support related to the raising, processing or consumption of farm animals; risks related to tariffs, trade protection measures or other modifications of foreign trade policy; 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; challenges to our intellectual property rights or our alleged violation of rights of others; 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; insufficient insurance coverage against hazards and claims; compliance with privacy laws and security of information; risks related to environmental, health and safety laws and regulations; and inability to achieve aspirations or meet the expectations of stakeholders with respect to environmental, social and governance matters. For additional information about the factors that could cause actual results to differ materially from forward-looking statements, please see the company's latest Form 10-K and Form 10-Qs filed with the Securities and Exchange Commission. We undertake no duty to update forward-looking statements.

**Non-GAAP Financial Measures.** This presentation contains non-GAAP financial measures, such as organic constant currency (CC) revenue growth, adjusted gross profit, adjusted gross margin, adjusted net income, adjusted earnings per share (EPS), EBITDA, adjusted EBITDA and adjusted EBITDA margin and net debt and net debt leverage, which we use to assess and analyze our operational results and trends. Reconciliation of non-GAAP financial measures and reported GAAP financial measures are included in the tables in the appendix to this presentation and are posted on our website at www.elanco.com. These non-GAAP measures are not, and should not be viewed as, substitutes for U.S. GAAP reported measures.

# On Today's Call

**Jeff Simmons**
Elanco Animal Health
*President and*
*Chief Executive Officer*

**Bob VanHimbergen**
Elanco Animal Health
*Executive Vice President,*
*Chief Financial Officer*

# Elanco as a Consistent, Reliable Growth Company Delivering Our Diverse Portfolio of Innovation

## Q2 2026 vs Guidance[1]

- Revenue **+$56M**
- Adj. EBITDA[2] **+$38M**
- Adj. EPS[2] **+$0.08**

### Strong Q2 Exceeding Expectations

Revenue, Adj. EBITDA, and Adj. EPS all above guidance; **8% organic CC[3] revenue growth** led by **U.S. Pet Health and U.S. Farm Animal each up 11%;** strong contributions from price (+2%) and volume (+6%); **stable base**

### Market Share Gains in Animal Health Durable Growth Sector

Share gains **across U.S. Pet Health categories and channels,** through **International Pet Health launches,** and building on **leadership in U.S. Farm Animal;** expecting consistent MSD animal health industry annual growth with global pets and protein fundamental drivers

### Raising Our Innovation Target

Q2 innovation revenue contribution of $340M; **raising 2026 target to $1.25B** driven by our major innovation products, market share gains, and customer response

### Improved 2026 Net Leverage Ratio Target

Achieved **quarter-end net leverage ratio (NLR)[2] of 3.1x** from 3.5x at Q1 end, enabled by strong Q2 results; **improved year-end 2026 NLR target to approximately 3.0x**

### Raising 2026 Revenue, Adj. EBITDA, & Adj. EPS Guidance

Increasing **organic CC revenue growth** to **6%-7%** with **Adj. EBITDA $1,010-$1,035M (13% growth at midpoint)** and **Adj. EPS $1.10-$1.16 (20% growth at midpoint)**

[1]Results compared to the midpoint of the company's second quarter guidance provided May 6, 2026. [2]Non-GAAP financial measures. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations. [3]Organic CC growth represents revenue growth excluding the impacts from royalty revenue that was sold to a third party, foreign exchange rates, and acquisitions and divestitures.

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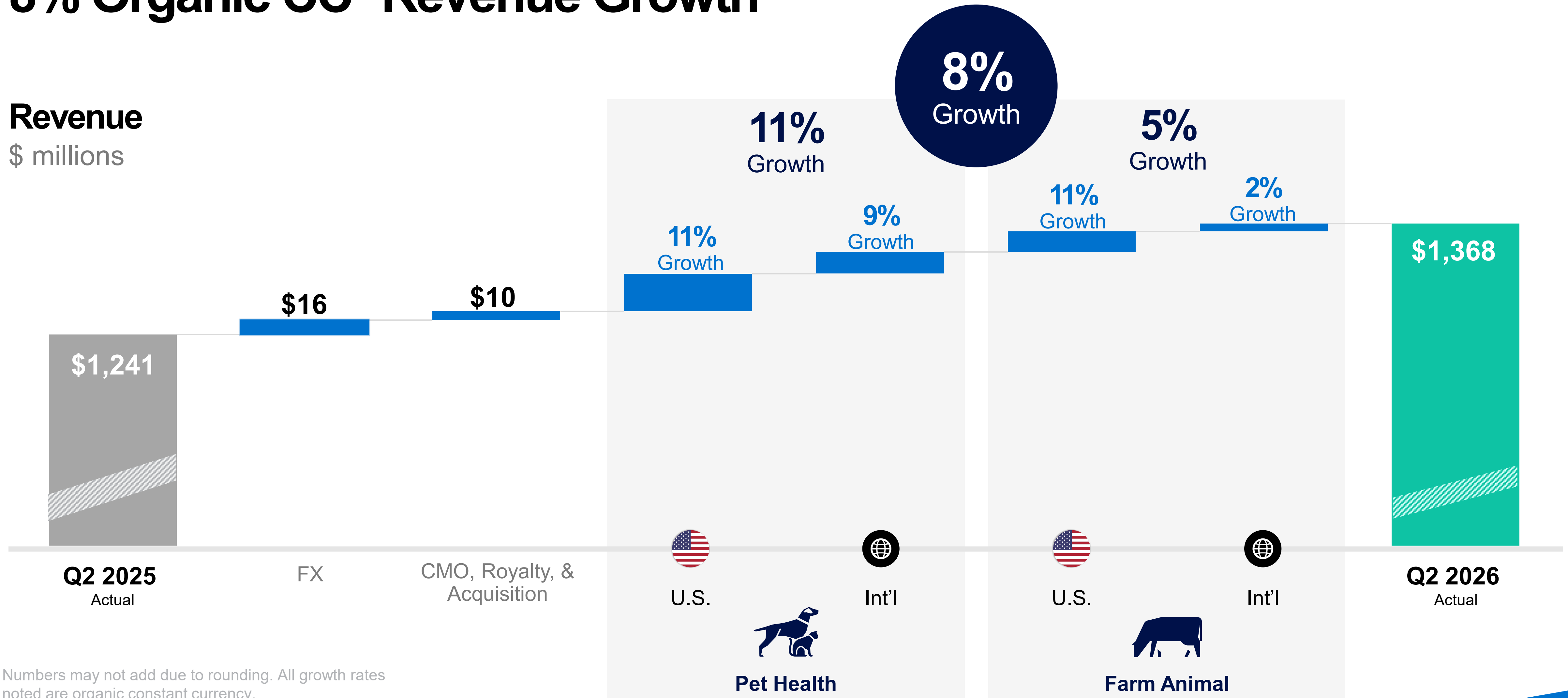
Q2 2025 to Q2 2026 Revenue Bridge

# 8% Organic CC[1] Revenue Growth

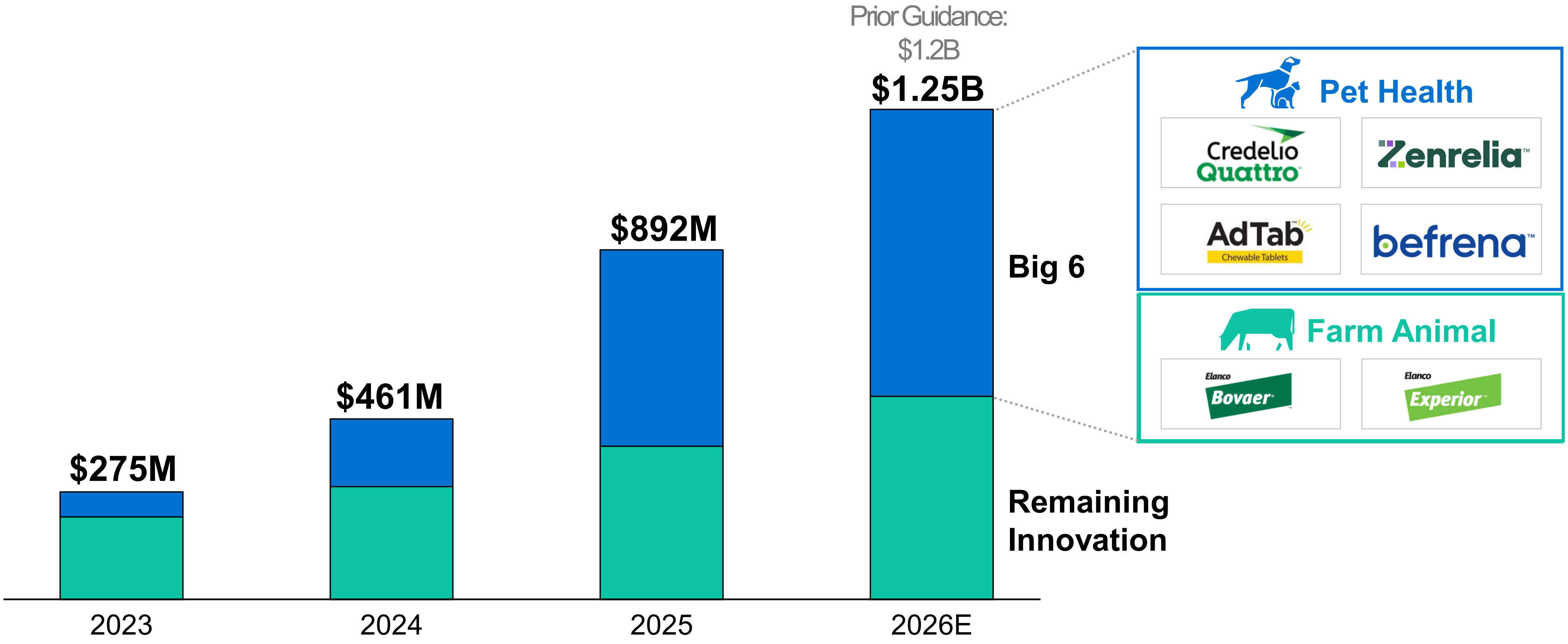



Numbers may not add due to rounding. All growth rates noted are organic constant currency.

[1]Organic CC growth represents revenue growth excluding the impacts from royalty revenue that was sold to a third party, foreign exchange rates, and acquisitions and divestitures.

Q2 Innovation Revenue Contribution of $340M

# Raising 2026 Innovation Revenue Target to $1.25B




Note: Innovation revenue is incremental in reference to 2020 sales
and does not include the expected impact of cannibalization on the base portfolio

# Updates on Big 6 Major Innovation Products

## Zenrelia

- Achieved blockbuster status with July YTD sales >$100M
- U.S. JAK market share up 9 points YoY with gains vs. Q1; clinic penetration ~18,000, or ~60%; reorder rate >80%[1]
- First-line treatment use in >40% of U.S. users[6]
- Up to 40%+ JAK market share in key European markets, outperforming the competitive entrant[2]
- Built on JAK market leading position in Brazil; achieved market leadership in France in Q1[2]
- Strong performance in competitor study comparing efficacy of incumbent and new entrant JAK inhibitors in a laboratory model

## Credelio Quattro

- Share up 4 points vs Q1[1], represents accelerating share gains of broad-spectrum dispensing sales from U.S. clinics in Q2
- Penetrated over 50% of the U.S. clinic base, up 10 points, or ~3,000 clinics, vs. Q1
- Highest puppy index vs. other broad-spectrum endectos[4]
- Newly published data again showing faster speed of black-legged tick kill than leading competitors
- Launched in Australia, Japan, and Canada

## AdTab Chewable Tablets

- Continued robust growth trajectory with Q2 sales up over 30%
- Fastest-growing brand in the $600M OTC ecto category in Europe[2]
- Consumer repurchase rate at 80%[3]
- Achieved more than 50% oral OTC market share; became #1 in less than two years on the market[2]

## Befrena

- Ramping capacity to meet high customer demand 2x above expectations, with weekly increases in supply
- Commercial product already shipped to nearly 1,400 U.S. clinics to date
- Differentiation on convenience, value, efficacy
- Effectively reduces itch for at least six weeks
- 83% of surveyed veterinarians are likely to use Befrena, especially in seasonal cases[5]

## Elanco Experior

- Q2 sales up double-digits
- Continued growth opportunity with extending days of use, continued adoption, and price
- Growth trajectory moderating with challenging comparisons

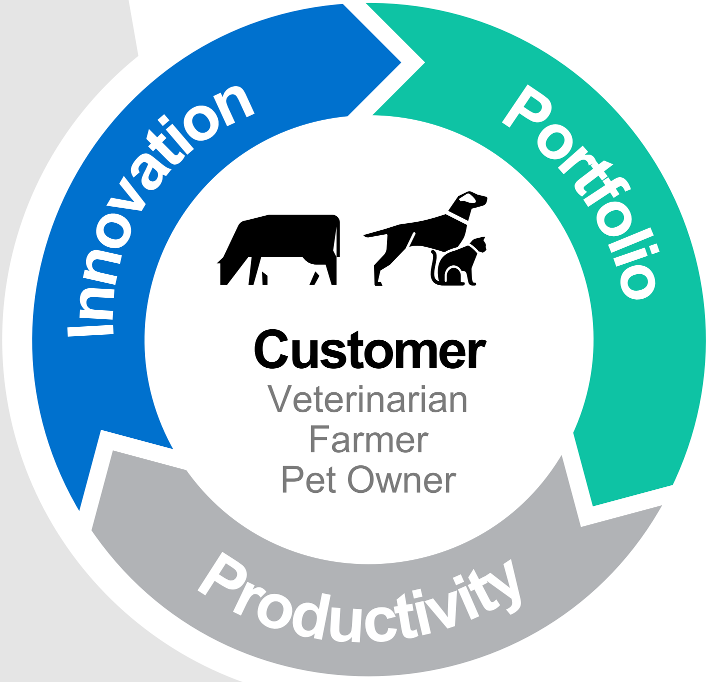
## Elanco Bovaer

- CPG demand supports relatively consistent cattle numbers on Bovaer
- Continued investment in enhanced value and user flexibility expected to drive long-term adoption growth
- Expect a measured sales ramp in a dynamic market backdrop

[1]Per Kynetec
[2]Internal estimates based on multiple data sources
[3]Per IT, FR, ES, NL, DE May 2026, Kadence
[4]Kynetec Puppy Index, June YTD
[5]Estimated based on responses to Elanco survey with a close proxy of the approved label
[6]Elanco conducted survey of 490 vets; March 2026

# IPP
# Innovation, Portfolio, Productivity

## Recent Highlights




**Consistent Progress Across Our Strategic Priorities**

## Deliver Consistent, High-Impact Innovation

**No Attrition in Next Wave**
5-6 blockbuster-potential innovations expected through 2031; >$2B peak sales potential[1]

**Establishing Elanco Ventures**
Corporate venture platform to accelerate innovation; $25M multi-year commitment

**OTC & Vaccines**
U.S. OTC innovation under Advantage brand; three U.S. vaccine approvals in 12 months

## Optimize Our Diverse Portfolio to Grow Share

**Global Ruminants**
Fastest growing Elanco species: +12% organic cc, +17% with AHV and FX

**Corporate Account Growth**
Added 300 new U.S. corporate clinics YTD

**Strong Price Contribution**
Q2 contribution +2%; expect full year acceleration vs. 2025

## Continuously Improve Productivity & Cash Flow

**Strengthening Balance Sheet**
~$95M H1 FCF increase YoY; improved 2026 NLR target of ~3.0x

**Gross Margin Expansion**
+80 bps in Q2 benefitting from mix and price; expect full year +50 bps

**Elanco Ascend**
On track to $200-$250M in Adj. EBITDA savings target (2030); actions underway to drive multi-year margin expansion

[1]Non-risk-adjusted, excluding cannibalization

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# Financial Results

## Second Quarter 2026

Second Quarter 2026

# Impact of Price, Rate, and Volume on Revenue

| $ Millions | Revenue | Price | FX Rate | Organic Volume | Acquisition | Total | Organic CC[1] Change |
|---|---|---|---|---|---|---|---|
| **Pet Health** | **$718** | **2%** | **1%** | **9%** | | **12%** | **11%** |
| Cattle | $313 | | 2% | | 3% | 17% | 12% |
| Poultry | $223 | | 2% | | | 4% | 2% |
| Swine | $97 | | 1% | | | (3)% | (4)% |
| **Farm Animal** | **$633** | **2%** | **2%** | **3%** | **1%** | **9%** | **5%** |
| **Contract Mfg. / Other[2]** | **$17** | | | | | **13%** | |
| **Total Elanco** | **$1,368** | **2%** | **1%** | **6%** | **1%** | **10%** | **8%** |

Reported revenue in millions. Numbers may not add due to rounding.
[1]Organic CC growth represents revenue growth excluding the impacts from royalty revenue that was sold to a third party, foreign exchange rates, and acquisitions and divestitures.
[2]Inclusive of $9M in sold royalty revenue for the quarter.

Second Quarter 2026

# Revenue by Geography and Species

| $ Millions | 2026 | 2025 | Change (%) | Organic CC[1] Change (%) |
|---|---|---|---|---|
| US Pet Health | $420 | $377 | 11% | 11% |
| Int'l Pet Health | $298 | $266 | 12% | 9% |
| **Total Pet Health** | **$718** | **$643** | **12%** | **11%** |
| US Farm Animal | $243 | $215 | 13% | 11% |
| Int'l Farm Animal | $390 | $368 | 6% | 2% |
| **Total Farm Animal** | **$633** | **$583** | **9%** | **5%** |
| **Contract Mfg. / Other[2]** | **$17** | **$15** | **13%** | |
| **Total Elanco** | **$1,368** | **$1,241** | **10%** | **8%** |

Reported revenue in millions. Numbers may not add due to rounding.
[1]Organic CC growth represents revenue growth excluding the impacts from royalty revenue that was sold to a third party, foreign exchange rates, and acquisitions and divestitures.
[2]Inclusive of $9M in sold royalty revenue for the quarter.

Second Quarter 2026

# Adjusted[1] Income Statement Highlights

| $ millions, except per share values | 2026 | 2025 | Change ($)[4] | Change (%)[4] |
|---|---|---|---|---|
| **Revenue** | **$1,368** | **$1,241** | **$127** | **10%** |
| **Adjusted Gross Profit** | **$789** | **$709** | **$80** | **11%** |
| Adjusted Gross Margin[2] | 58.1% | 57.3% | NM | 80 bps |
| **Operating Expense** | **$541** | **$492** | **$49** | **10%** |
| **Interest Expense, Net** | **$44** | **$38** | **$6** | **16%** |
| **Other (Income) Expense, Net** | **$(8)** | **$12** | **NM** | **NM** |
| Effective Tax Rate | 17.8% | 21.7% | NM | NM |
| **Adjusted Net Income** | **$174** | **$131** | **$43** | **33%** |
| **Adjusted Earnings Per Share Diluted** | **$0.34** | **$0.26** | **$0.08** | **31%** |
| | | | | |
| **Adjusted EBITDA** | **$288** | **$238** | **$50** | **21%** |
| Adjusted EBITDA Margin[3] | 21.2% | 19.2% | NM | 200 bps |

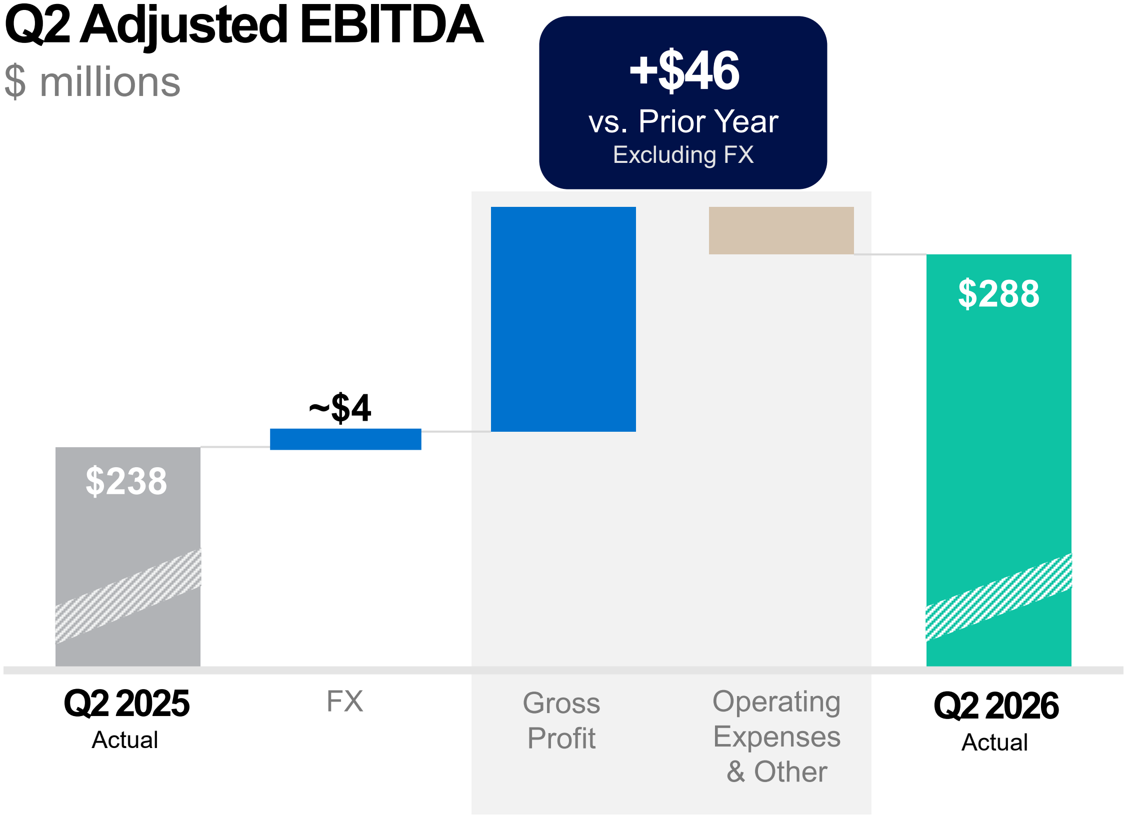
Note: Numbers may not add due to rounding.
[1]Non-GAAP financial measures. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.
[2]We define adjusted gross margin as adjusted gross profit divided by total revenue, excluding royalty revenue sold to a third party.
[3]We define adjusted EBITDA margin as adjusted EBITDA divided by total revenue, excluding royalty revenue sold to a third party.
[4]Comparisons have not been adjusted for the impact of the AHV acquisition which was completed on April 30, 2026.

Second Quarter 2026

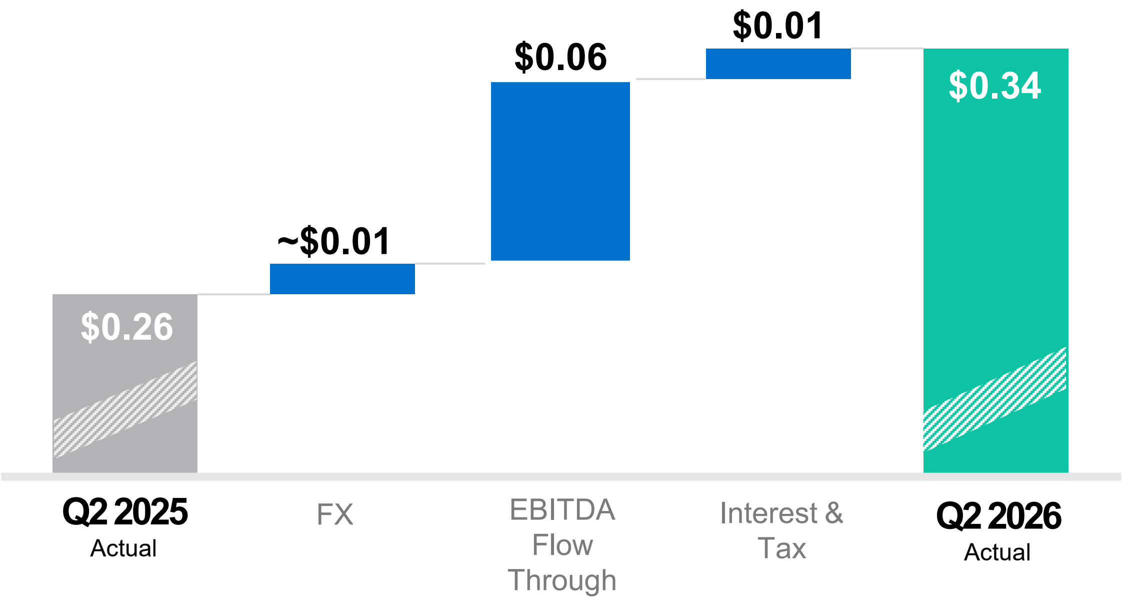
# Adjusted EBITDA[1] and Adjusted EPS[1] Drivers

## Q2 Adjusted EBITDA

$ millions




## Q2 Adjusted EPS



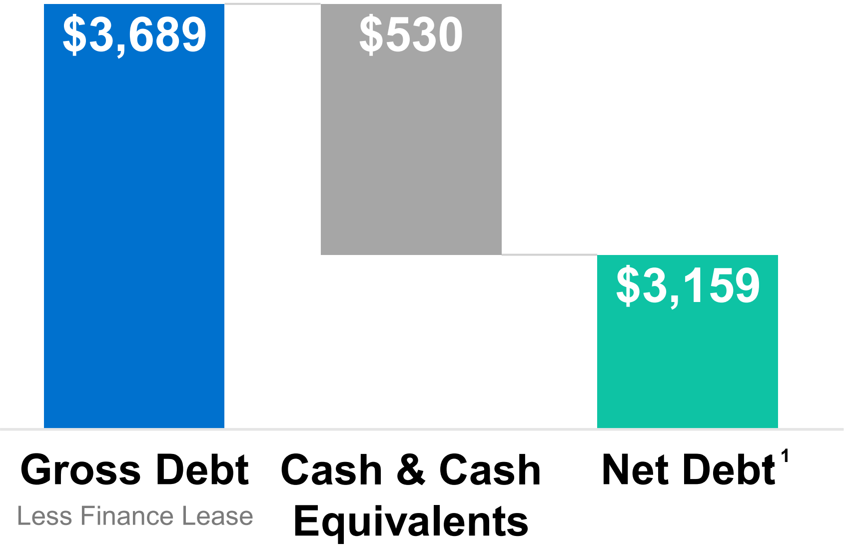

Note: Numbers may not add due to rounding.
[1]Non-GAAP financial measures. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.

# Key Balance Sheet and Cash Flow Metrics

## Cash and Debt Balances

as of June 30, 2026

$ millions




**Net Leverage Ratio[2] = 3.1x**

## Capital Allocation Priorities

**Debt Paydown**

**Primary use** of free cash flow

**Targeting** <3.0x in 2027 and 2.0x-2.5x over time

**Strategic Investment in Business**

**R&D, manufacturing capex, commercial launches, bolt-on M&A** investment expected to drive sustainable topline growth

Note: Numbers may not add due to rounding.

[1]Net debt is a non-GAAP measure calculated as gross debt, excluding finance lease liabilities, less cash and cash equivalents on our balance sheet. Gross debt is the sum of current portion of long-term debt and long-term debt and excludes unamortized debt issuance costs.

[2]Net leverage ratio calculated as gross debt less cash and cash equivalents and finance lease liabilities on our balance sheet divided by adjusted EBITDA.

# Financial Guidance

## Third Quarter and Full Year 2026

2026 Full Year

# Financial Guidance

$ millions, except per share values

| | May | August | Comments |
|---|---|---|---|
| **Revenue[1]** | $5,010 - $5,085 | $5,090 - $5,140 | 6%-7% organic CC[2] growth |
| **Adjusted EBITDA[3]** | $975 - $1,005 | $1,010 - $1,035 | 13% growth at midpoint |
| **Adjusted Diluted EPS[3]** | $1.03 - $1.09 | $1.10 - $1.16 | 20% growth at midpoint |

### Accelerating Price Contribution YoY

Reflecting our latest innovation and the value of our portfolio to customers

### Adj. EBITDA Margin Expansion

Led by Elanco Ascend program, with G&A savings more front-loaded over the 5-year period

### Contributions from M&A

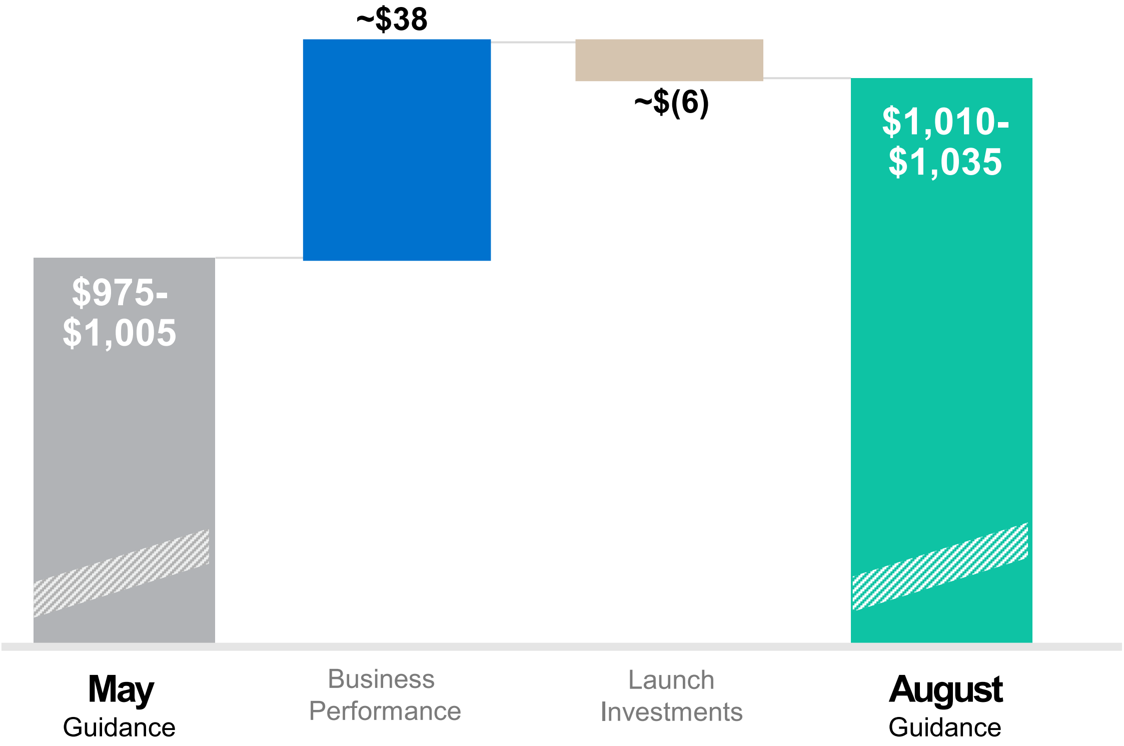
AHV International acquisition expected to contribute 1% to reported growth for the full year

[1]Revenue guidance excludes royalty revenue that was sold to a third party.
[2]Organic CC growth represents revenue growth excluding the impacts from royalty revenue that was sold to a third party, foreign exchange rates, and acquisitions and divestitures.
[3]Non-GAAP financial measure

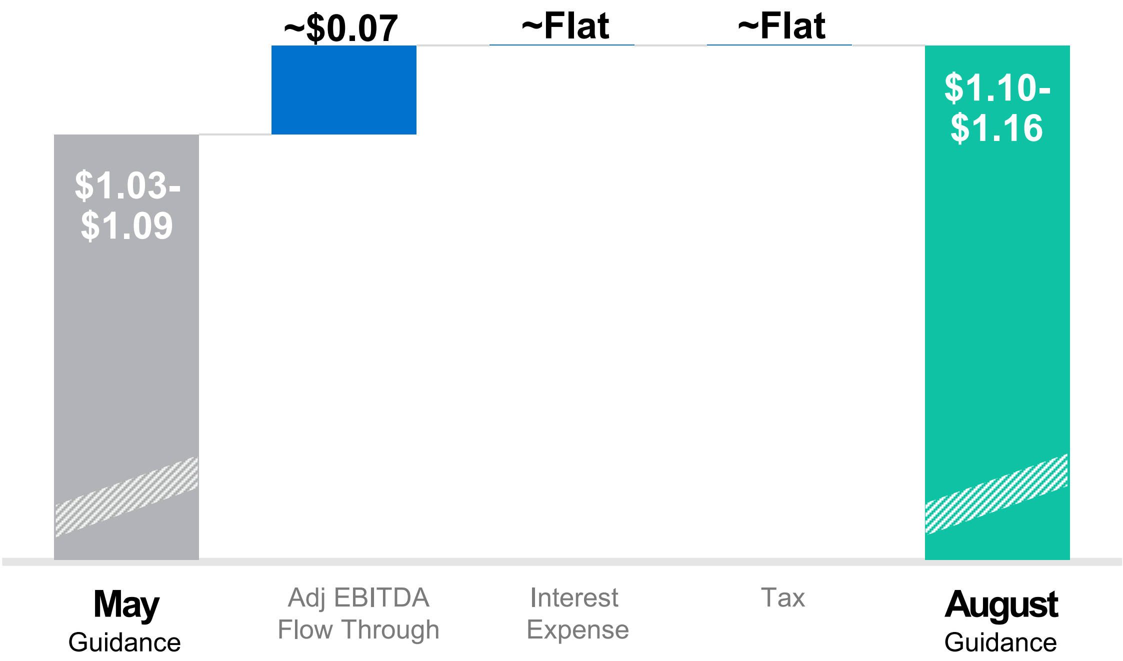
May Guidance to August Guidance Bridge

# Raising Adj. EBITDA[1] and Adj. EPS[1] Guidance

## 2026 Adj. EBITDA




## 2026 Adj. EPS




Note: Numbers may not add due to rounding.
[1]Non-GAAP financial measures. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.

# Considerations for 2026 Guidance Range

## Potential Drivers to the High-End of Guidance

- Accelerating innovation-led growth
- Base business growth
- Ability to leverage our diverse portfolio
- Favorable macroeconomic backdrop
- Rapid progress on Elanco Ascend initiatives

## Potential Drivers to the Low-End of Guidance

- Heightened competitive pressure, including generics
- Consumer/macroeconomic pressure
- Incremental investment in innovation product launches

**Guidance Continues Our Prudent, Balanced Approach in a Dynamic Macro Environment**

Third Quarter 2026

# Financial Guidance

$ millions, except per share values

| | Q3 Guidance | Comments |
|---|---|---|
| **Revenue[1]** | $1,195 - $1,220 | 5%-7% organic CC[2] growth |
| **Adjusted EBITDA[3]** | $200 - $215 | Includes opex up ~11% CC with incremental support for innovation products |
| **Adjusted Diluted EPS[3]** | $0.19 - $0.22 | Effective tax rate expected in line with full-year rate |

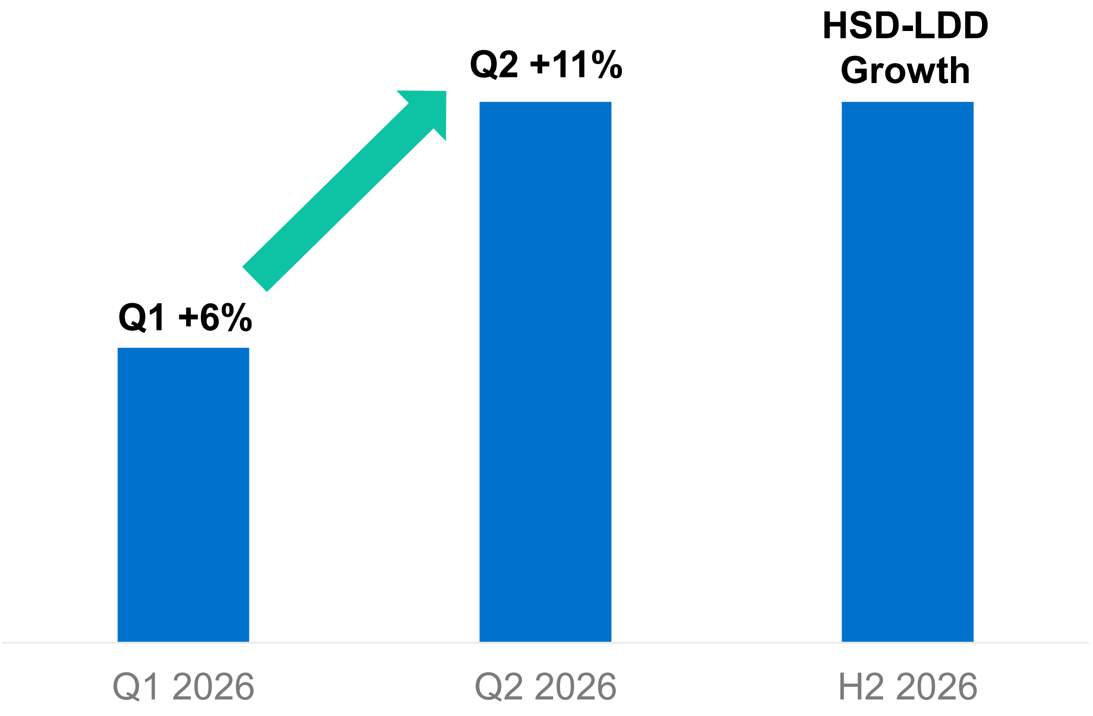
### Revenue Growth
Pet health continues strong growth trajectory as farm animal moderates from challenging comparisons

### Adj. EBITDA Margin
Gross margin tailwind from price, volume, and manufacturing savings offset by strategic commercial investments

### Inorganic Drivers
AHV International acquisition expected to contribute 1% to reported growth; FX neutral to prior year

[1]Revenue guidance excludes royalty revenue that was sold to a third party
[2]Organic CC growth represents revenue growth excluding the impacts from royalty revenue that was sold to a third party, foreign exchange rates, and acquisitions and divestitures
[3]Non-GAAP financial measure

# Drivers of U.S. Pet Health Revenue Acceleration




## Key H2 Revenue Growth Drivers

- Continued momentum for Zenrelia and Credelio Quattro
- Befrena launch
- Corporate account growth
- Does not assume improving vet visit volumes, given continued consumer spending shift to omnichannel

**Expecting At Least High-Single Digit Full-Year 2026 Revenue Growth for U.S. Pet Health**

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# Shifting Consumer Behaviors in the Attractive & Growing Omnichannel U.S. Pet Health Industry

## ✓Industry Growth

- **5%** industry growth in 2025[1]
- January/February weather impacted U.S. vet channel; strong **rebound** starting in March
- **Omnichannel** consumer behaviors and growth at retail
- Vet channel **revenue** +LSD YTD
- Generally **stable pet ownership**

## ✓Resilient Pet Owner Spend

- Pets at the center of the **family**
- **Protected budget item:** 95% of owners would not cut pet health spend; 90% expect to maintain or increase spend over the next year[2]
- 40% of pet care spend via **subscriptions**[3]
- Convenience driving **compliance**
- **Consistent** consumer trends in monthly retail sales and credit card data

## ✓Durable Price

- Strong willingness to pay for “best medicine” blockbuster **innovation**
- **Elanco U.S. Pet Health** price accelerated in Q2
- Elanco full-year pricing expected to **accelerate** vs. 2025
- Implemented our largest **price increase** to U.S. vet clinics in five years
- **Differentiation** driving our accelerating market gains

[1]Internal estimates based on multiple data sources
[2]Elanco May 2026 survey results
[3]Nielsen IQ data

# Animal Health Is a Compelling, Durable Growth Sector

*Sustainable growth through fundamental drivers in pets & protein*

**5% 20-Year CAGR**
Consistently Positive Growth

**$40B**

Industry Value Today
**7% Growth in 2025**

**$60B**

Projected Industry Value Into the Next Decade, Reflecting
**Consistent MSD Annual Growth[1]**

[1]Internal estimates based on multiple data sources

# Elanco: Key drivers of long-term value creation

*A compelling investment opportunity*

## Early-Stage Big 6 Globalization

Credelio Quattro
Zenrelia
AdTab Chewable Tablets
befrena
Elanco Experior
Elanco Bovaer

## Increasing Pipeline Confidence

Innovation engine stronger than ever

Pipeline progressing without attrition

5-6 blockbuster-potential innovations by 2031

Focused on consistent innovation flow

## Accelerating Cash and Margins

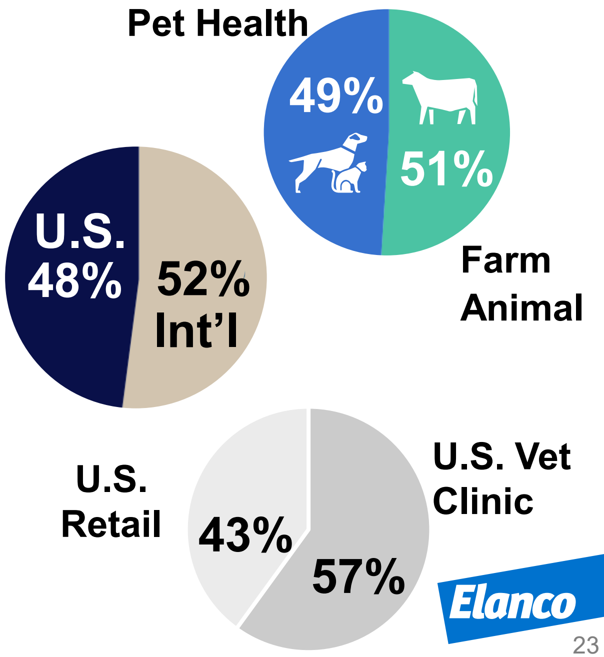
Accelerating cash flow

Runway of margin expansion

Rapid net leverage reduction

Elanco Ascend tracking $200-$250M adj. EBITDA net savings by 2030

## Balanced Business Profile

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# Appendix

Reference slides and GAAP reported to non-GAAP adjusted reconciliations

First Half 2026

# Impact of Price, Rate, and Volume on Revenue

| | Revenue | Price | FX Rate | Organic Volume | Acquisition | Total | Organic CC[1] Change |
|---|---|---|---|---|---|---|---|
| **Pet Health** | **$1,428** | **2%** | **3%** | **7%** | | **12%** | **9%** |
| Cattle | $629 | | 2% | | 1% | 16% | 13% |
| Poultry | $453 | | 4% | | | 12% | 8% |
| Swine | $193 | | 2% | | | 4% | 2% |
| **Farm Animal** | **$1,275** | **2%** | **3%** | **7%** | **1%** | **13%** | **9%** |
| **Contract Mfg. / Other[2]** | **$36** | | | | | **33%** | |
| **Total Elanco** | **$2,739** | **2%** | **3%** | **7%** | **1%** | **13%** | **9%** |

Reported revenue in millions. Numbers may not add due to rounding.
[1]Organic CC growth represents revenue growth excluding the impacts from royalty revenue that was sold to a third party, foreign exchange rates, and acquisitions and divestitures.
[2]Inclusive of $18M in sold royalty revenue year to date.

First Half 2026

# Revenue by Geography and Species

| | 2026 | 2025 | Change (%) | Organic CC[1] Change |
|---|---|---|---|---|
| US Pet Health | $761 | $700 | 9% | 9% |
| Int'l Pet Health | $667 | $578 | 15% | 9% |
| **Total Pet Health** | **$1,428** | **$1,278** | **12%** | **9%** |
| US Farm Animal | $507 | $446 | 14% | 13% |
| Int'l Farm Animal | $768 | $683 | 12% | 7% |
| **Total Farm Animal** | **$1,275** | **$1,129** | **13%** | **9%** |
| **Contract Mfg. / Other[2]** | **$36** | **$27** | **33%** | |
| **Total Elanco** | **$2,739** | **$2,434** | **13%** | **9%** |

Reported revenue in millions. Numbers may not add due to rounding.
[1]Organic CC growth represents revenue growth excluding the impacts from royalty revenue that was sold to a third party, foreign exchange rates, and acquisitions and divestitures.
[2]Inclusive of $18M in sold royalty revenue year to date.

First Half 2026

# Adjusted[1] Income Statement Highlights

| $ millions, except per share values | 2026 | 2025 | Change ($)[4] | Change (%)[4] |
|---|---|---|---|---|
| Revenue | $2,739 | $2,434 | $305 | 13% |
| Adjusted Gross Profit | $1,565 | $1,394 | $171 | 12% |
| Adjusted Gross Margin[2] | 57.5% | 57.4% | NM | 10 bps |
| Operating Expense | $1,019 | $927 | $92 | 10% |
| Interest Expense, Net | $87 | $78 | $9 | 12% |
| Other (Income) Expense, Net | $(12) | $19 | NM | NM |
| Effective Tax Rate | 19.7% | 14.8% | NM | NM |
| Adjusted Net Income | $378 | $315 | $63 | 20% |
| Adjusted Earnings Per Share Diluted | $0.75 | $0.63 | $0.12 | 19% |
| Adjusted EBITDA | $622 | $514 | $108 | 21% |
| Adjusted EBITDA Margin[3] | 22.9% | 21.2% | NM | 170 bps |

Note: Numbers may not add due to rounding.
[1]Non-GAAP financial measures. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.
[2]We define adjusted gross margin as adjusted gross profit divided by total revenue, excluding royalty revenue sold to a third party.
[3]We define adjusted EBITDA margin as adjusted EBITDA divided by total revenue, excluding royalty revenue sold to a third party.
[4]Comparisons have not been adjusted for the impact of the AHV acquisition which was completed on April 30, 2026.

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Full Year 2026

# Financial Guidance
## & Additional Assumptions

$ millions, except per share values

| | May | August |
|---|---|---|
| **Total Revenue**[1] | **$5,010 – $5,085** | **$5,090 – $5,140** |
| Adjusted Gross Margin[2] | 55.1% – 55.5% | 55.2% – 55.6% |
| Operating Expenses | $1,925 – $1,945 | $1,950 – $1,965 |
| **Adjusted EBITDA**[2] | **$975 – $1,005** | **$1,010 – $1,035** |
| **Adjusted EBITDA Margin**[2] | **19.5% – 19.8%** | **19.8% – 20.1%** |
| Adjusted Interest Expense, Net[2] | Approx. $165 | Approx. $165 |
| Tax Rate | 21% – 22% | Approx. 21% |
| **Adjusted Earnings per Share**[2] | **$1.03 – $1.09** | **$1.10 – $1.16** |
| Weighted Average Diluted Share Count | Approx. 508 million | Approx. 507 million |
| Capital Expenditures | Approx. $185 | Approx. $185 |
| Cash Taxes | Approx. $110 | Approx. $120 |
| Cash Interest | Approx. $175 | Approx. $175 |

[1]Revenue guidance excludes royalty revenue that was sold to a third party
[2]Non-GAAP financial measure

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Second Quarter 2026

# Adjusted EBITDA Reconciliation

$ millions

| | 2026 | 2025 |
|---|---|---|
| **Reported Net Income** | **$54** | **$11** |
| Net Interest Expense | $59 | $48 |
| Income Tax Expense | $2 | $14 |
| Depreciation and Amortization | $171 | $169 |
| **EBITDA** | **$286** | **$242** |
| Non-GAAP Adjustments | | |
| Asset Impairment, Restructuring, and Other Special Charges | $9 | $1 |
| Sold Royalty Revenue | $(9) | $(4) |
| Other (Income) Expense, Net | $2 | $(1) |
| **Adjusted EBITDA** | **$288** | **$238** |
| **Adjusted EBITDA Margin** | **21.2%** | **19.2%** |

Note: Numbers may not add due to rounding.

Second Quarter 2026

# Reconciliation of GAAP Reported to Non-GAAP Adjusted Income Statement Items

$ millions, except per share values

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Net Income | EPS | Net Income | EPS |
| **GAAP Reported Net Income and EPS** | **$54** | **$0.11** | **$11** | **$0.02** |
| Amortization of Intangible Assets | $139 | $0.27 | $136 | $0.27 |
| Asset Impairment, Restructuring, and Other Special Charges (1) | $9 | $0.02 | $1 | $0.00 |
| Sold Royalty Revenue | $(9) | $(0.02) | $(4) | $(0.01) |
| Interest Expense, Net of Capitalized Interest (2) | $15 | $0.03 | $10 | $0.02 |
| Other (Income) Expense, Net | $2 | $0.00 | $(1) | $0.00 |
| Income Tax Expense (3) | $(36) | $(0.07) | $(22) | $(0.04) |
| **Adjusted Net Income and EPS** | **$174** | **$0.34** | **$131** | **$0.26** |

Note: Numbers may not add due to rounding.

Second Quarter 2026

# Details of Adjustments to Certain GAAP Reported Measures

**For the three months ended June 30, 2026 and 2025:**

(1) Adjustments of $9 million for the three months ended June 30, 2026, primarily related to our 2025 restructuring plan ($3 million) as well as costs associated with our acquisition of AHV ($2 million).

(2) Adjustments of $15 million and $10 million for the three months ended June 30, 2026 and 2025, respectively, related to imputed interest expense on our liability for sale of future revenue.

(3) Adjustments of $36 million for the three months ended June 30, 2026, primarily represented the income tax expense associated with the adjusted items discussed above. Adjustments of $22 million for the three months ended June 30, 2025, primarily represented the income tax expense associated with the adjusted items discussed above and the discrete tax impact from the remeasurement of certain deferred tax positions due to a foreign tax rate change.

First Half 2026

# Adjusted EBITDA Reconciliation

$ millions

| | 2026 | 2025 |
|---|---|---|
| **Reported Net Income** | **$111** | **$78** |
| Net Interest Expense | $116 | $88 |
| Income Tax Expense | $32 | $7 |
| Depreciation and Amortization | $341 | $330 |
| **EBITDA** | **$600** | **$503** |
| Non-GAAP Adjustments | | |
| Cost of Sales | $0 | $1 |
| Asset Impairment, Restructuring, and Other Special Charges | $25 | $10 |
| Sold Royalty Revenue | $(18) | $(4) |
| Other Expense, Net | $15 | $4 |
| **Adjusted EBITDA** | **$622** | **$514** |
| **Adjusted EBITDA Margin** | **22.9%** | **21.2%** |

Note: Numbers may not add due to rounding.

First Half 2026

# Reconciliation of GAAP Reported to Non-GAAP Adjusted Income Statement Items

$ millions, except per share values

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Net Income | EPS | Net Income | EPS |
| **GAAP Reported Net Income and EPS** | **$111** | **$0.22** | **$78** | **$0.16** |
| Cost of Sales Adjustments | - | - | $1 | $0.00 |
| Amortization of Intangible Assets | $277 | $0.55 | $264 | $0.53 |
| Asset Impairment, Restructuring, and Other Special Charges (1) | $25 | $0.05 | $10 | $0.02 |
| Sold Royalty Revenue | $(18) | $(0.04) | $(4) | $(0.01) |
| Interest Expense, Net of Capitalized Interest (2) | $29 | $0.06 | $10 | $0.02 |
| Other Expense, Net (3) | $15 | $0.03 | $4 | $0.01 |
| Income Tax Expense (4) | $(61) | $(0.12) | $(48) | $(0.10) |
| **Adjusted Net Income and EPS** | **$378** | **$0.75** | **$315** | **$0.63** |

Note: Numbers may not add due to rounding.

First Half 2026

# Details of Adjustments to Certain GAAP Reported Measures

**For the six months ended June 30, 2026 and 2025:**

(1) Adjustments of $25 million for the six months ended June 30, 2026, primarily related to $18 million of restructuring charges ($15 million of which was non-cash shut-down costs for the animal studies portion of our R&D facilities in Monheim, Germany) associated with our 2025 Restructuring Plan, as well as costs associated with our acquisition of AHV ($2 million). Adjustments of $10 million for the six months ended June 30, 2025, primarily included $7 million of upfront payments made in relation to new licensing arrangements.

(2) Adjustments of $29 million and $10 million for the six months ended June 30, 2026 and 2025, respectively, related to imputed interest expense on our liability for sale of future revenue.

(3) Adjustments of $15 million for the six months ended June 30, 2026, primarily related to currency translation losses reclassified from accumulated other comprehensive loss in conjunction with the substantial liquidation of a dormant legal entity, a litigation settlement, and mark-to-market adjustments on equity investments.

(4) Adjustments of $61 million for the six months ended June 30, 2026, primarily represented the income tax expense associated with the adjusted items discussed above. Adjustments of $48 million for the six months ended June 30, 2025, primarily represented the income tax expense associated with the adjusted items discussed above and the discrete tax impact from the remeasurement of certain deferred tax positions due to a foreign tax rate change, partially offset by a $35 million benefit related to a discrete tax item recognized during the first quarter of 2025.

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