2018 Earnings
AGENDA

INTRODUCTION AND KEY RECENT EVENTS

Dave Ricks, Chairman and Chief Executive Officer

Q1 FINANCIAL RESULTS AND FINANCIAL GUIDANCE

Josh Smiley, Senior Vice President, Finance and Chief Financial Officer

PIPELINE AND KEY FUTURE EVENTS

Dave Ricks, Chairman and Chief Executive Officer

QUESTION AND ANSWER SESSION
This presentation contains forward-looking statements that are based on management’s current expectations, but actual results may differ materially due to various factors. The company’s results may be affected by factors including, but not limited to, the risks and uncertainties in pharmaceutical research and development; competitive developments; regulatory actions; litigation and investigations; business development transactions; economic conditions; and changes in laws and regulations, including health care reform.

For additional information about the factors that affect the company’s business, please see the company’s latest Forms 10-K and 10-Q filed with the Securities and Exchange Commission.

The company undertakes no duty to update forward-looking statements.
STRATEGIC DELIVERABLES
PROGRESS SINCE THE LAST EARNINGS CALL

GROW REVENUE
- 9% revenue growth driven by new products
  - 4% Pharma volume growth
  - 30% Diabetes volume growth

EXPAND MARGINS
- Excluding FX on international inventories sold, non-GAAP:
  - gross margin as a % of revenue increased nearly 70bp
  - operating income % of revenue was 30.4%, an increase of 775bp

DEPLOY CAPITAL TO CREATE VALUE
- Collaboration with Sigilon to develop encapsulated cell therapies
- Distributed nearly $600 million via the dividend
- Repurchased $1.1 billion of stock

SUSTAIN FLOW OF INNOVATION
- Approval and launch of new Verzenio™ indication in 1L mBC
- Positive Phase 3 NILEX readouts for Taltz® and Cyramza®
KEY EVENTS SINCE THE LAST EARNINGS CALL

COMMERCIAL
• Launched Verzenio (abemaciclib) in the U.S. for the treatment of first line metastatic breast cancer;
• Launched Taltz (ixekizumab) in Germany for the treatment of psoriatic arthritis; and
• Launched Credelio® (lotilaner) in the U.S., to treat and control ticks and fleas in dogs.

REGULATORY
• The U.S. FDA approved Verzenio (abemaciclib) in combination with an aromatase inhibitor for the treatment of breast cancer based on the MONARCH 3 study; and
• The U.S. FDA's Arthritis Advisory Committee recommended approval of the 2mg, but not the 4mg, dose of baricitinib for the treatment of moderately-to-severely active rheumatoid arthritis.

CLINICAL (continued)
• Announced top-line results of the RANGE study for Cyramza (ramucirumab) in the treatment of patients with advanced or metastatic Urothelial Cancer (bladder cancer). A positive trend was observed in the secondary endpoint of overall survival (OS) which did not reach the level of statistical significance;
• At AACR, presented detailed data from the final MONARCH 3 PFS analysis showing that Verzenio plus an aromatase inhibitor achieved a median PFS of 28.2 months versus 14.8 months in the control arm;
• At AACR, presented updated Verzenio subgroup analyses from MONARCH 2 and 3 which further demonstrated that patients with certain concerning clinical characteristics received relatively greater benefit from the addition of Verzenio to endocrine therapy;
• Along with Merck, presented data at AACR from KEYNOTE-189 studying the combination of pemetrexed and pembrolizumab in non-small cell lung cancer; and
• At AAD, presented data showing that treatment with Taltz (ixekizumab) resulted in improvement in impact of genital psoriasis on sexual activity.

CLINICAL
• Announced top-line results of the COAST-V study for Taltz (ixekizumab) for the treatment of Ankylosing Spondylitis (AS). The trial met the primary and all key secondary endpoints;
• Announced top-line results of the REACH-2 study for Cyramza (ramucirumab) in the second-line treatment of patients with Hepatocellular Carcinoma (liver cancer). The trial met its primary endpoint of overall survival (OS) as well as the secondary endpoint of progression-free survival (PFS);

BUSINESS DEVELOPMENT & OTHER
• Announced a collaboration with Sigilon to develop encapsulated cell therapies for the potential treatment of type 1 diabetes;
• Distributed nearly $600 million to shareholders via the dividend; and
• Repurchased $1.1 billion of stock.
**COMPARISON MEASURES**

**“REPORTED” RESULTS**
Include all financial results as reported in accordance with Generally Accepted Accounting Principles (GAAP)

**“NON-GAAP” MEASURES**
Start with **“REPORTED” RESULTS**
Include adjustments for items such as:
- Asset impairment, restructuring and other special charges
- Acquired in-process R&D charges and other income and expenses from business development activities
- Amortization of intangible assets
Q1 2018 INCOME STATEMENT - REPORTED

Millions; except per share data

<table>
<thead>
<tr>
<th></th>
<th>Q1 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$5,700</td>
<td>9%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>72.4%</td>
<td>(1.8pp)</td>
</tr>
<tr>
<td>Total Operating Expense*</td>
<td>2,755</td>
<td>(29)%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>1,374</td>
<td>NM</td>
</tr>
<tr>
<td>Other Income (Expense)</td>
<td>67</td>
<td>(14)%</td>
</tr>
<tr>
<td>Effective Tax Rate</td>
<td>15.5%</td>
<td>NM</td>
</tr>
<tr>
<td><strong>Net Income (Loss)</strong></td>
<td><strong>$1,217</strong></td>
<td>NM</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td><strong>$1.16</strong></td>
<td>NM</td>
</tr>
</tbody>
</table>

*Includes research and development expense, marketing, selling and administrative expense, acquired in-process research and development charges, and asset impairment, restructuring and other special charges. NM – not meaningful
## Reconciliation of GAAP Reported to Non-GAAP Adjusted Information; Certain Line Items (Unaudited)

Millions; except per share data

<table>
<thead>
<tr>
<th></th>
<th>Q1 2018</th>
<th>Non-GAAP Adjusted</th>
<th>Non-GAAP Adjusted Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GAAP Reported</td>
<td>Adjustments</td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$5,700</td>
<td>-</td>
<td>$5,700</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>72.4%</td>
<td>2.7%</td>
<td>75.1%</td>
</tr>
<tr>
<td>Total Operating Expense</td>
<td>2,755</td>
<td>(80)</td>
<td>2,676</td>
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<tr>
<td>Operating Income</td>
<td>1,374</td>
<td>231</td>
<td>1,604</td>
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<tr>
<td>Other Income (Expense)</td>
<td>67</td>
<td>-</td>
<td>67</td>
</tr>
<tr>
<td>Effective Tax Rate</td>
<td>15.5%</td>
<td>0.4%</td>
<td>15.9%</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>$1,217</td>
<td>$189</td>
<td>$1,406</td>
</tr>
<tr>
<td>EPS</td>
<td>$1.16</td>
<td>$0.18</td>
<td>$1.34</td>
</tr>
</tbody>
</table>

Note: Numbers may not add due to rounding; see slide 20 for a complete list of significant adjustments.
# RECONCILIATION OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION; CERTAIN LINE ITEMS (UNAUDITED)

Millions; except per share data

<table>
<thead>
<tr>
<th>EPS (reported)</th>
<th>Q1 2018</th>
<th>Q1 2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization of intangible assets</td>
<td>0.12</td>
<td>0.11</td>
<td>NM</td>
</tr>
<tr>
<td>Asset impairment, restructuring, and other special</td>
<td>0.06</td>
<td>0.16</td>
<td></td>
</tr>
<tr>
<td>charges</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquired in-process R&amp;D</td>
<td>-</td>
<td>0.81</td>
<td></td>
</tr>
<tr>
<td>Inventory Step-Up</td>
<td>-</td>
<td>0.01</td>
<td></td>
</tr>
<tr>
<td><strong>EPS (non-GAAP)</strong></td>
<td><strong>$1.34</strong></td>
<td><strong>$0.98</strong></td>
<td><strong>37%</strong></td>
</tr>
</tbody>
</table>

Note: Numbers may not add due to rounding; see slide 20 for more details on these significant adjustments.
# Effect of Price/Rate/Volume on Revenue

**Q1 2018**

<table>
<thead>
<tr>
<th>Pharmaceuticals</th>
<th>Amount</th>
<th>Price</th>
<th>FX Rate</th>
<th>Volume</th>
<th>Total</th>
<th>CER</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>$2,779.0</td>
<td>8%</td>
<td>-</td>
<td>2%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Europe</td>
<td>893.8</td>
<td>(5%)</td>
<td>15%</td>
<td>7%</td>
<td>17%</td>
<td>2%</td>
</tr>
<tr>
<td>Japan</td>
<td>536.8</td>
<td>(3%)</td>
<td>5%</td>
<td>5%</td>
<td>6%</td>
<td>1%</td>
</tr>
<tr>
<td>Rest of World</td>
<td>729.1</td>
<td>(0%)</td>
<td>5%</td>
<td>5%</td>
<td>9%</td>
<td>4%</td>
</tr>
<tr>
<td>Total Pharma</td>
<td>4,938.7</td>
<td>3%</td>
<td>4%</td>
<td>4%</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td>Animal Health</td>
<td>761.3</td>
<td>5%</td>
<td>3%</td>
<td>(8%)</td>
<td>(1%)</td>
<td>(4%)</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$5,700.0</strong></td>
<td>3%</td>
<td>4%</td>
<td>2%</td>
<td>9%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Note: Numbers may not add due to rounding.  
CER = price change + volume change
NEW PRODUCTS DRIVING WW VOLUME GROWTH

Contribution to 2% Q1 WW Volume Growth

- New Products *: 11.1%
- All Other: -0.6%
- Animal Health: -1.2%
- Cialis®: -2.3%
- Recent Expirations **: -5.1%

Numbers do not add due to rounding.
Basaglar®, Jardiance®, and Tradjenta® are part of the Boehringer Ingelheim and Lilly Diabetes Alliance.
* includes Basaglar, Cyramza, Jardiance, Lartruvo™, Olumiant®, Portrazza®, Taltz, Trulicity®, and Verzenio
** includes Axiron®, Cymbalta®, Effient®, Evista®, Strattera®, and Zyprexa®
UPDATE ON NEW PRODUCT LAUNCH PROGRESS

**VERZENIO**
- Launched in U.S. in Q4’17; U.S. NBRx at nearly 15%
- Launched 1L metastatic breast cancer in Q1’18 in U.S.

**OLUMIANT**
- Strong early uptake in Germany
- Launched in over 40 markets

**LARTRUVO**
- Strong uptake in U.S.; European launches ongoing

**TALTZ**
- IL-17 NBRx class at approx. 30% SOM in dermatology
- Launched PsA in Q1’18 in U.S. and Germany

**BASAGLAR**
- 2nd in U.S. NBRx with over 27% SOM
- U.S. TRx SOM gain of 500bp within Q1’18

**JARDIANCE**
- Market leader in U.S. TRx (37% SOM) and NBRx (47% SOM)

**TRULICITY**
- U.S. TRx grew 70% over Q1’17
- GLP-1 class TRx growing nearly 27% in U.S., up from 23% in Q4’17

**CYRAMZA**
- Nearly 67% SOM in 2L metastatic gastric cancer in Japan

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Note: Jardiance is sold by Boehringer Ingelheim; Lilly records as revenue its share of Jardiance gross margin. Jardiance and Basaglar are part of the Boehringer Ingelheim and Lilly Diabetes Alliance.

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# EFFECT OF FOREIGN EXCHANGE ON 2018 RESULTS

## Year-on-Year Growth

<table>
<thead>
<tr>
<th></th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With FX</td>
</tr>
<tr>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td>9%</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>17%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>6%</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>(29)%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>NM</td>
</tr>
<tr>
<td>EPS</td>
<td>NM</td>
</tr>
</tbody>
</table>

## Non-GAAP

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>22%</td>
<td>2%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>(5)%</td>
<td>(8)%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>29%</td>
<td>40%</td>
</tr>
<tr>
<td>EPS</td>
<td>37%</td>
<td>47%</td>
</tr>
</tbody>
</table>
## 2018 GUIDANCE

<table>
<thead>
<tr>
<th></th>
<th>Prior</th>
<th>Updated</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$23.0 - $23.5 billion</td>
<td>$23.7 - $24.2 billion</td>
<td>Favorable segment &amp; payer mix and FX rate movements</td>
</tr>
<tr>
<td>Gross Margin % (GAAP)</td>
<td>Approx. 73%</td>
<td>Unchanged</td>
<td></td>
</tr>
<tr>
<td>Gross Margin % (non-GAAP)</td>
<td>Approx. 75%</td>
<td>Unchanged</td>
<td></td>
</tr>
<tr>
<td>Mktg, Selling &amp; Admin.</td>
<td>$6.1 - $6.4 billion</td>
<td>$6.2 - $6.5 billion</td>
<td>FX rates</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>$5.0 - $5.2 billion</td>
<td>$5.2 - $5.4 billion</td>
<td>Funding additional NILEX and FX rates</td>
</tr>
<tr>
<td>Other Income/(Expense)</td>
<td>$75 - $175 million</td>
<td>$75 - $200 million</td>
<td></td>
</tr>
<tr>
<td>Tax Rate (GAAP)</td>
<td>Approx. 18%</td>
<td>Approx. 17%</td>
<td>Favorable jurisdictional mix</td>
</tr>
<tr>
<td>Tax Rate (non-GAAP)</td>
<td>Approx. 18%</td>
<td>Approx. 17%</td>
<td>Favorable jurisdictional mix</td>
</tr>
<tr>
<td>Earnings per Share (GAAP)</td>
<td>$4.39 - $4.49</td>
<td>$4.52 - $4.62</td>
<td>See above</td>
</tr>
<tr>
<td>Earnings per Share (non-GAAP)</td>
<td>$4.81 - $4.91</td>
<td>$5.10 - $5.20</td>
<td>See above</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>Approx. $1.2 billion</td>
<td>Unchanged</td>
<td></td>
</tr>
</tbody>
</table>

**FX rates for current guidance:**
- Euro at 1.23
- Yen at 106.5
- Pound at 1.41
POTENTIAL KEY EVENTS 2018

**PHASE 3 INITIATIONS**
- Baricitinib for psoriatic arthritis
- Mirikizumab for psoriasis
- Mirikizumab for ulcerative colitis
- Dulaclutide alternate doses for type 2 diabetes
- Empagliflozin for chronic kidney disease

**PHASE 3 DATA INTERNAL READOUTS**
- Flortaucipir [18F AV-1451] tau imaging agent
- Tanezumab for osteoarthritis pain (dosing study)
- Tradjenta CAROLINA CV outcomes study
- Trulicity REWIND CV outcomes study
- Ultra rapid insulin for type 1 and type 2 diabetes
- Ramucirumab RANGE for 2L bladder cancer (final analysis)
- Ramucirumab RELAY for 1L EGFR NSCLC cancer (PFS readout)

**PHASE 3 DATA EXTERNAL DISCLOSURES**
- Galcanezumab for cluster headache
- Ilekizumab for axial spondyloarthritis
- Empagliflozin for type 1 diabetes
- Tradjenta CARMELINA CV outcomes study
- Ramucirumab REACH 2 in 2L high AFP hepatocellular cancer
- Alimta+platinum+Keytruda in 1L nonsquamous NSCLC (KN-189)

**REGULATORY SUBMISSIONS**
- Lasmiditan for acute migraine
- Empagliflozin + lixisenatide + metformin XR (US)
- Nasal glucagon for hypoglycemia

**REGULATORY ACTIONS**
- Baricitinib for rheumatoid arthritis (US)
- Galcanezumab for migraine prevention
- Ilekizumab for psoriatic arthritis (EU)
- Abemaciclib + fulvestrant for 2L breast cancer (MONARCH 2) (EU/J)
- Abemaciclib + Alis for 1L breast cancer (MONARCH 3) (US/EU/J)
- Alimta® sNDA to include KEYNOTE-021G data (US)
- Fruquintinib for 3L metastatic colorectal cancer (China)

**OTHER**
- Rulings in ongoing Alimta patent litigation:
  - US IPR Appeal to CAFC
  - US alternative salt forms
  - Japan (Nipro)
  - Germany

1 in collaboration with Boehringer Ingelheim
2 in collaboration with Pfizer
3 in collaboration with Merck
4 in collaboration with Hutchison China MediTech
• Q1 2018 revenue growth of 9%, driven by new products
• Excluding FX, non-GAAP EPS growth of 47% and operating margin expansion of 775 basis points
• Progress on our innovation-based strategy included: the launch of an additional indication for Verzenio and positive Phase 3 readouts for Taltz and Cyramza
• Deployed $1.7 billion back to shareholders through the dividend and stock repurchases
Supplementary Slides
NON-GAAP GROSS MARGIN % OF REVENUE

MOVING ANNUAL TOTAL

With FX effect on int’l inventories sold
Without FX effect on int’l inventories sold

<table>
<thead>
<tr>
<th></th>
<th>Q4 2015</th>
<th>Q1 2016</th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>GM</td>
<td>77.3%</td>
<td>76.3%</td>
<td>76.0%</td>
<td>76.4%</td>
<td>77.4%</td>
<td>77.8%</td>
<td>76.3%</td>
<td>74.8%</td>
<td>76.1%</td>
<td>75.1%</td>
</tr>
<tr>
<td>w/o FX</td>
<td>75.7%</td>
<td>74.9%</td>
<td>75.7%</td>
<td>75.5%</td>
<td>75.5%</td>
<td>76.7%</td>
<td>76.3%</td>
<td>75.8%</td>
<td>76.5%</td>
<td>77.4%</td>
</tr>
</tbody>
</table>

Individual quarter GM % of Revenue:
- with FX effect on int’l inv sold
- w/o FX effect on int’l inv sold

Note: The lines in the graph are moving annual totals (i.e. trailing 4 quarters) while the two rows of numbers are from specific quarters.
* 2017 has been reclassified to reflect changes to pension and post-retirement benefit cost accounting effective Jan 1, 2018.
Q1 2018 INCOME STATEMENT NOTES

Q1 2018 NON-GAAP INFORMATION HAS BEEN ADJUSTED TO ELIMINATE:

- amortization of intangible assets primarily associated with costs of marketed products acquired or licensed from third parties totaling $152.4 million (pretax), or $0.12 per share (after-tax); and
- asset impairment, restructuring and other special charges of $78.3 million (pretax), or $0.06 per share (after-tax), primarily associated with the decision to end Posilac® (rbST) production at the Augusta, Georgia manufacturing site, as well as expenses associated with the review of strategic alternatives for the Elanco Animal Health business.

Q1 2017 NON-GAAP INFORMATION HAS BEEN ADJUSTED TO ELIMINATE:

- amortization of intangible assets primarily associated with costs of marketed products acquired or licensed from third parties totaling $176.1 million (pretax), or $0.11 per share (after-tax);
- charges primarily related to severance costs incurred as a result of actions taken to reduce the company’s cost structure, as well as integration costs related to the acquisition of Novartis Animal Health, totaling $213.9 million, or $0.16 per share (after-tax);
- an acquired in-process research and development charge related to the acquisition of CoLucid Pharmaceuticals totaling $857.6 million (pretax), or $0.81 per share (after-tax); and
- inventory step-up costs associated with the acquisition of Boehringer Ingelheim Vetmedica’s U.S. feline, canine, and rabies vaccine portfolio totaling $10.4 million (pretax), or $0.01 per share (after-tax).
## COMPARATIVE EPS SUMMARY 2017/2018

<table>
<thead>
<tr>
<th></th>
<th>1Q17</th>
<th>2Q17</th>
<th>3Q17</th>
<th>4Q17</th>
<th>2017</th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported</td>
<td>(0.10)</td>
<td>0.95</td>
<td>0.53</td>
<td>(1.58)</td>
<td>(0.19)</td>
<td>1.16</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-GAAP</td>
<td>0.98</td>
<td>1.11</td>
<td>1.05</td>
<td>1.14</td>
<td>4.28</td>
<td>1.34</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Numbers may not add due to rounding. For a complete reconciliation to reported earnings, see slide 20 and our earnings press release dated April 24, 2018.
Q1 2018 TRULICITY SALES INCREASED 82%

Millions

U.S. sales were $528 million
International sales were $150 million

Note: Numbers may not add due to rounding.

Source: IQVIA NPA TRx 3MMA, weekly data March 30, 2018
Q1 2018 CYRAMZA SALES INCREASED 7%

Millions

U.S. sales increased 3%
International sales increased 10%

Quarterly Sales by Major Geography

Note: Numbers may not add due to rounding.
Q1 2018 BASAGLAR SALES WERE $166 MILLION

Millions

U.S. sales were $127 million
International sales were $39 million

Share of U.S. Basal Insulin Market

- Basaglar NBRx: 27%
- Basaglar TRx: 14%

Note: Numbers may not add due to rounding.

Source: IQVIA NPA TRx 3MMA, weekly data March 30, 2018

Note: Basaglar is part of the Boehringer Ingelheim and Lilly Diabetes Alliance

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Q1 2018 JARDIANCE REVENUE WAS $151 MILLION

Millions

U.S. revenue increased $47 million
International revenue increased $30 million

Note: Numbers may not add due to rounding.

Source: IQVIA NPA TRx 3MMA, weekly data March 30, 2018

Note: Jardiance is part of the Boehringer Ingelheim and Lilly Diabetes Alliance
Q1 2018 TALTZ SALES INCREASED 52%

U.S. sales were $111 million
International sales were $35 million

Note: Numbers may not add due to rounding.

Source: IQVIA NPA TRx 3MMA, weekly data March 30, 2018
Q1 2018 LARTRUVO SALES WERE $64 MILLION

U.S. sales were $43 million
International sales were $21 million

Note: Numbers may not add due to rounding.
Q1 2018 OLUMIANT SALES WERE $32 MILLION

Millions

International sales were $32 million

- Q1 sales driven by Europe, led by Germany
- Launched in Japan in Q3 2017

Note: Numbers may not add due to rounding.
Q1 2018 VERZENIO SALES WERE $30 MILLION

U.S. sales were $30 million

Note: Numbers may not add due to rounding.

Source: IQVIA NPA TRx 3MMA, weekly data March 30, 2018

Not for promotional use
Q1 2018 HUMALOG® SALES INCREASED 12%

U.S. sales increased 12%
International sales increased 11%

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>$708</td>
<td>$792</td>
</tr>
<tr>
<td>Q2</td>
<td>$678</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>$696</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>$782</td>
<td></td>
</tr>
</tbody>
</table>

Note: Numbers may not add due to rounding.

Source: IQVIA NPA TRx 3MMA, weekly data March 30, 2018
Q1 2018 ALIMTA SALES INCREASED 2%

Millions

U.S. sales increased 8%
International sales decreased 3%

<table>
<thead>
<tr>
<th></th>
<th>Q1 Sales</th>
<th>Change</th>
<th>Performance</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Alimta</td>
<td>$245.3</td>
<td>8%</td>
<td>8%</td>
<td>-</td>
</tr>
<tr>
<td>OUS Alimta</td>
<td>$254.3</td>
<td>[3%]</td>
<td>(12%)</td>
<td>9%</td>
</tr>
<tr>
<td>WW Alimta</td>
<td>$499.6</td>
<td>2%</td>
<td>(3%)</td>
<td>5%</td>
</tr>
</tbody>
</table>

- U.S. sales increase driven by volume and, to a lesser extent, higher realized prices
- OUS sales decrease driven by competitive pressure and loss of exclusivity in several countries

Note: Numbers may not add due to rounding.
Q1 2018 CIALIS SALES DECREASED 7%

 Millions

U.S. sales increased 6%
International sales decreased 23%

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>$534</td>
<td>$495</td>
</tr>
<tr>
<td>Q2</td>
<td>$627</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>$565</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>$597</td>
<td></td>
</tr>
</tbody>
</table>

Note: Numbers may not add due to rounding.

U.S. TRx SOM and Market Growth

Source: IQVIA NPA TRx 3MMA, weekly data March 30, 2018

Not for promotional use
Q1 2018 HUMULIN® SALES INCREASED 4%

U.S. sales increased 8%
International sales decreased 4%

Note: Numbers may not add due to rounding.

Source: IQVIA NPA TRx 3MMA, weekly data March 30, 2018
Q1 2018 FORTEO® SALES DECREASED 10%

Millions

<table>
<thead>
<tr>
<th></th>
<th>Q1 Sales</th>
<th>Change</th>
<th>Performance</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Forteo</td>
<td>$122.1</td>
<td>(31%)</td>
<td>(31%)</td>
<td>-</td>
</tr>
<tr>
<td>OUS Forteo</td>
<td>$191.1</td>
<td>13%</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>WW Forteo</td>
<td>$313.2</td>
<td>(10%)</td>
<td>(14%)</td>
<td>4%</td>
</tr>
</tbody>
</table>

- U.S. sales decrease driven by decreased volume from wholesale and retail buying patterns and, to a lesser extent, lower realized prices
- OUS sales increase driven by rate favorability and, to a lesser extent, increased volume

Note: Numbers may not add due to rounding.
### Q1 2018 ANIMAL HEALTH SALES DECREASED 1%

** Millions **

#### U.S. sales decreased 9%
- International sales increased 8%

<table>
<thead>
<tr>
<th></th>
<th>Q1 Sales</th>
<th>Change</th>
<th>Performance</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Companion</td>
<td>$195.4</td>
<td>12%</td>
<td>12%</td>
<td>-</td>
</tr>
<tr>
<td>U.S. Food and Other</td>
<td>$180.3</td>
<td>(24%)</td>
<td>(24%)</td>
<td>-</td>
</tr>
<tr>
<td>OUS Companion</td>
<td>$91.6</td>
<td>6%</td>
<td>(3%)</td>
<td>9%</td>
</tr>
<tr>
<td>OUS Food and Other</td>
<td>$293.9</td>
<td>9%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>WW Animal Health</td>
<td>$761.3</td>
<td>(1%)</td>
<td>(4%)</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Note:** Numbers may not add due to rounding.
DRIVERS OF ELANCO WW REVENUE CHANGE

**Contribution to 4% Elanco Performance Decline**

- U.S. Companion Animal: -3.9%
- OUS Companion Animal: -0.3%
- OUS Food Animal: 1.6%
- U.S. Food Animal: 3.5%
- Strategic Exits *: -4.8%

excluding Strategic Exits, Elanco grew 1% in performance terms

* Strategic Exits includes Posilac, Ft. Dodge CMO, and Adequan®/Ethicon

Not for promotional use
New products drove $144M of sales in 2017

NEW PRODUCTS INCLUDE:

COMPANION ANIMAL
- Interceptor® Plus
- Osurnia®
- Galliprant®
- Credelio

FOOD ANIMAL
- Imrestor®
- Imvixa™
- Kavault®/Inteprity®
- Clynav™