Elanco Announces Inaugural $600 Million Share Repurchase Authorization

November 19, 2026

Reflects Strengthening Financial Profile, Strong Cash Flow Generation, Successful Balance Sheet De-Leveraging Below 3x, and Confidence in Continued Momentum

INDIANAPOLIS, Nov. 19, 2026 /PRNewswire/ -- Elanco Animal Health Incorporated (NYSE: ELAN) announced today its Board of Directors has authorized the repurchase of up to $600 million of the company's common stock. The authorization reflects Elanco's accelerating operational momentum, robust free cash flow generation, strengthened balance sheet and clear path to net leverage ratio of 2.0 to 2.5 times.

After reaching the targeted sub 3.0x net leverage ratio, the company is updating its capital allocation priorities. Elanco will remain focused on a combination of debt paydown and accretive growth opportunities including continued investment in innovation, while starting a multi-year share repurchase program to drive enhanced, long-term shareholder value.

"Today's authorization of our first-ever share repurchase program reflects Elanco's financial transformation into a consistent, reliable growth company with more than three years of steady quarterly growth," said Jeff Simmons, President and CEO of Elanco. "Our disciplined execution against our Innovation, Portfolio and Productivity (IPP) strategy and expectations of a multi-year runway of mid-single digit revenue growth, high single digit adjusted EBITDA growth and low double digit adjusted EPS growth give us the financial flexibility to accelerate capital return to shareholders, while continuing to fully fund our growth priorities and pipeline to ensure a consistent flow of high-impact innovation."

Over the past several years, Elanco has prioritized debt reduction, successfully reducing its net leverage ratio (NLR) by approximately three-quarters of a turn in 2026 year-to-date alone. Earlier this month, the company reported a major strategic milestone as NLR fell below 3.0x faster than anticipated, unlocking accelerated capital allocation flexibility.

"Our continued strong operational performance and momentum achieving sub-3.0x leverage ahead of schedule gives us confidence to transition to a more balanced capital allocation framework," said Bob VanHimbergen, Executive Vice President and CFO of Elanco. "My priority is driving down costs through Elanco Ascend and general and administrative expenses to compensate for inflation. While there is still more to do, we're pleased with the team's disciplined execution to improve working capital management. We're tracking ahead of schedule toward our cumulative free cash flow target of $1 billion from 2026 to 2028, with free cash flow reaching $362 million as of the end of the third quarter and making continued progress toward our long-term margin goals."

The timing, manner and amount of repurchases will depend on a variety of factors, including market conditions, stock price, alternative capital deployment opportunities, and applicable regulatory requirements. The program does not obligate the company to acquire any specific dollar amount or number of shares and may be modified, suspended, or discontinued at any time without prior notice.

About Elanco
Elanco Animal Health Incorporated (NYSE: ELAN) is a global leader in animal health dedicated to innovating and delivering

products and services to prevent and treat disease in farm animals and pets, creating value for farmers, pet owners, veterinarians, stakeholders and society as a whole. With 70 years of animal health heritage, we are committed to breaking boundaries and going beyond to help our customers improve the health of animals in their care, while also making a meaningful impact on our local and global communities. At Elanco, we are driven by our vision of Food and Companionship Enriching Life and our purpose – all to Go Beyond for Animals, Customers, Society and Our People. Learn more at www.elanco.com.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements within the meaning of the federal securities laws, including, without limitation, statements concerning our expectations regarding debt levels and capital allocation, expectations regarding our industry, operations, performance and financial condition and expectations regarding growth 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, and additional factors that could cause actual results to differ materially from forward-looking statements described in the company's latest Form 10-K and Form 10-Qs filed with the Securities and Exchange Commission. We caution you against relying on any forward-looking statements, which should also be read in conjunction with the other cautionary statements that are included elsewhere in this press release. Any forward-looking statement made by us in this press release speaks only as of the date thereof. We undertake no obligation to publicly update or to revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Investor Contact: Tiffany Kanaga (765) 740-0314 tiffany.kanaga@elancoah.com
Media Contact: Colleen Dekker (317) 989-7011 colleen.dekker@elancoah.com

View original content to download multimedia:https://www.prnewswire.com/news-releases/elanco-announces-inaugural-600-million-share-repurchase-authorization-302944490.html

SOURCE Elanco Animal Health