

2025 Earnings – First Quarter

May 7, 2025

The Elanco logo is positioned in the bottom right corner. It consists of the word "Elanco" in a white, italicized, sans-serif font. The letters are slightly slanted to the right. The background behind the text is a solid blue color, which is part of a larger blue diagonal band that runs from the top left to the bottom right of the slide.

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 2025 full year and second 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; the impact of increased or decreased sales into our distribution channels resulting in fluctuations in our revenues; 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 goals or meet 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 revenue excluding the impact of the aqua business and/or the impact of foreign exchange rate effects, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, adjusted net income (loss), adjusted EPS, adjusted gross profit, adjusted gross margin, 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.

Notes. On July 9, 2024, the company completed the divestiture of its aqua business. Revenue growth excluding the impact of prior year aqua revenue is referred to in this presentation as organic revenue growth.

On Today's Call

Jeff Simmons

Elanco Animal Health
*President and
Chief Executive Officer*



Todd Young

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



Accelerating Growth Through Delivering Our Diverse Portfolio of Innovation

Q1 2025 vs Guidance¹

✓ Revenue **+\$25M**

✓ Adj. EBITDA² **+\$26M**

✓ Adj. EPS² **+\$0.05**

¹Results compared to the midpoint of the company's first quarter guidance provided February 25, 2025. ²Non-GAAP financial measures. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.

³Constant currency (CC) is a non-GAAP financial measure, representing revenue growth excluding the impact of foreign exchange rates. Organic excludes the aqua business, which was divested July 9, 2024.



Strong Q1 Exceeding Expectations

Revenue, Adj. EBITDA, and Adj. EPS all above guidance ranges; **4% organic CC³ revenue growth**



Innovation Tracking Above Expectations

Q1 innovation revenue contribution of \$198M; **raising 2025 target to \$660-\$740M** driven by our six potential blockbusters



Deleveraging Faster Than Planned

2025 year-end **net leverage ratio target improved** to 3.9-4.3x, enabled by disciplined working capital management, more favorable FX, and lotilaner U.S. royalty monetization; expect **\$450-\$500M of 2025 gross debt paydown**



Neutralizing the Potential Tariff Impact

Estimated tariff net impact of \$16-\$20M offset by Q1 execution; risks balanced by intervention actions and FX tailwind



Raising 2025 Revenue Guidance for FX Tailwind; Maintaining 2025 Adj. EBITDA & Adj. EPS Guidance

Continuing to expect **organic CC revenue growth to accelerate to 4%-6%** with Adj. EBITDA \$830-\$870M and Adj. EPS \$0.80-\$0.86; **incorporates current estimate for tariff net impact** and dynamic macro backdrop, offset by strong Q1 and FX tailwind; **top-line accelerating into March/April**

Ability to Maintain Adj. EBITDA Guidance With or Without Pharma Exemption

Intervention Actions, FX & Business Execution Mitigating Potential Tariff Impacts

Current State

Expect **~\$16-\$20M impact** to Adj. EBITDA primarily from bilateral U.S. and China tariffs as of May 5th, 2025

2025 full-year estimated impact of net tariffs (~\$16-\$20M) offset by Q1 outperformance (+\$26M vs. guidance midpoint)

Potential Risk Scenarios

- Pharma exemption revoked and 5%-25% tariff on U.S. in-bound products implemented (~\$10-\$30M)
- Further tariff escalation
- Moderate economic slowdown
- Farm trade disruption

Mitigating Actions Being Implemented

- + Supply chain optimization
- + Inventory management
- + Tactical pricing in select geographies
- + Strategic API sourcing
- + Not including FX benefit of ~\$25M to Adj. EBITDA in guidance

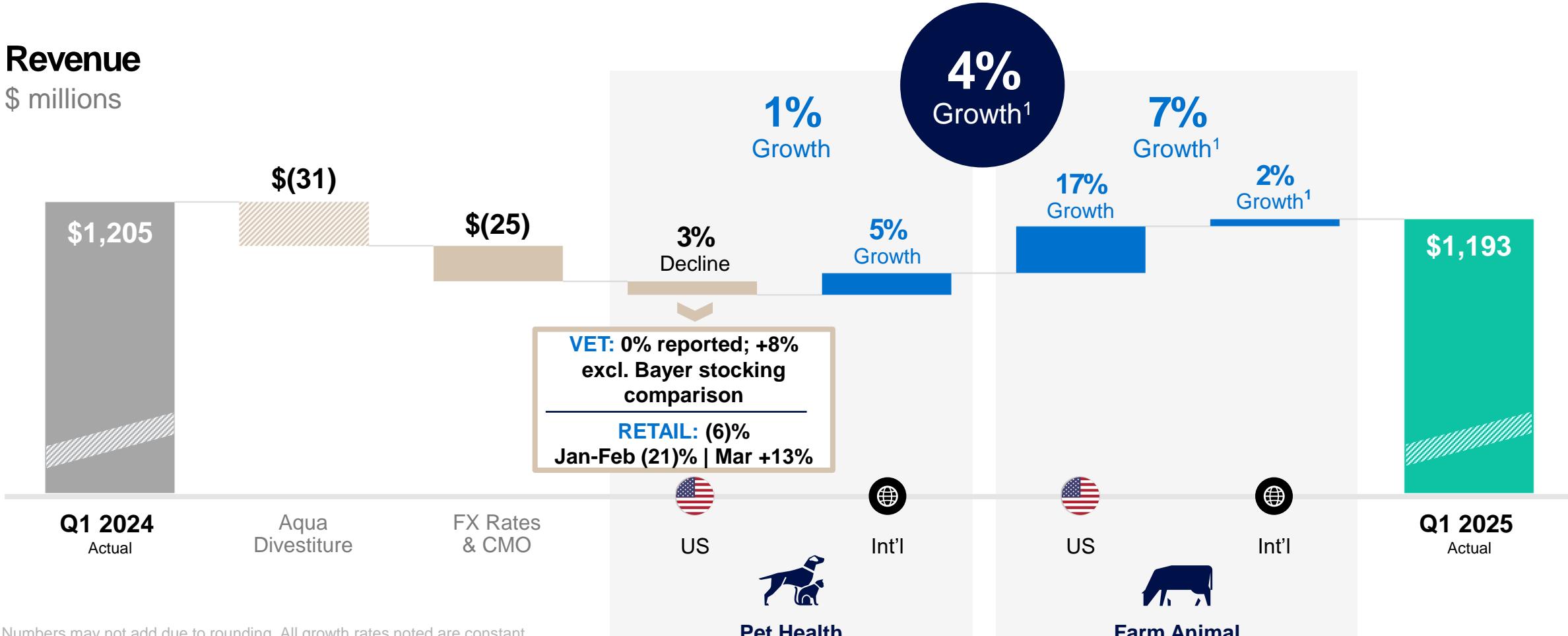
No change to 2025 Adj. EBITDA guidance: Incorporates estimated tariff impact; potential risk scenarios expected to be covered by mitigating actions and prudent outlook

Q1 2024 to Q1 2025 Revenue Bridge

4% Organic Constant Currency Revenue Growth

Revenue

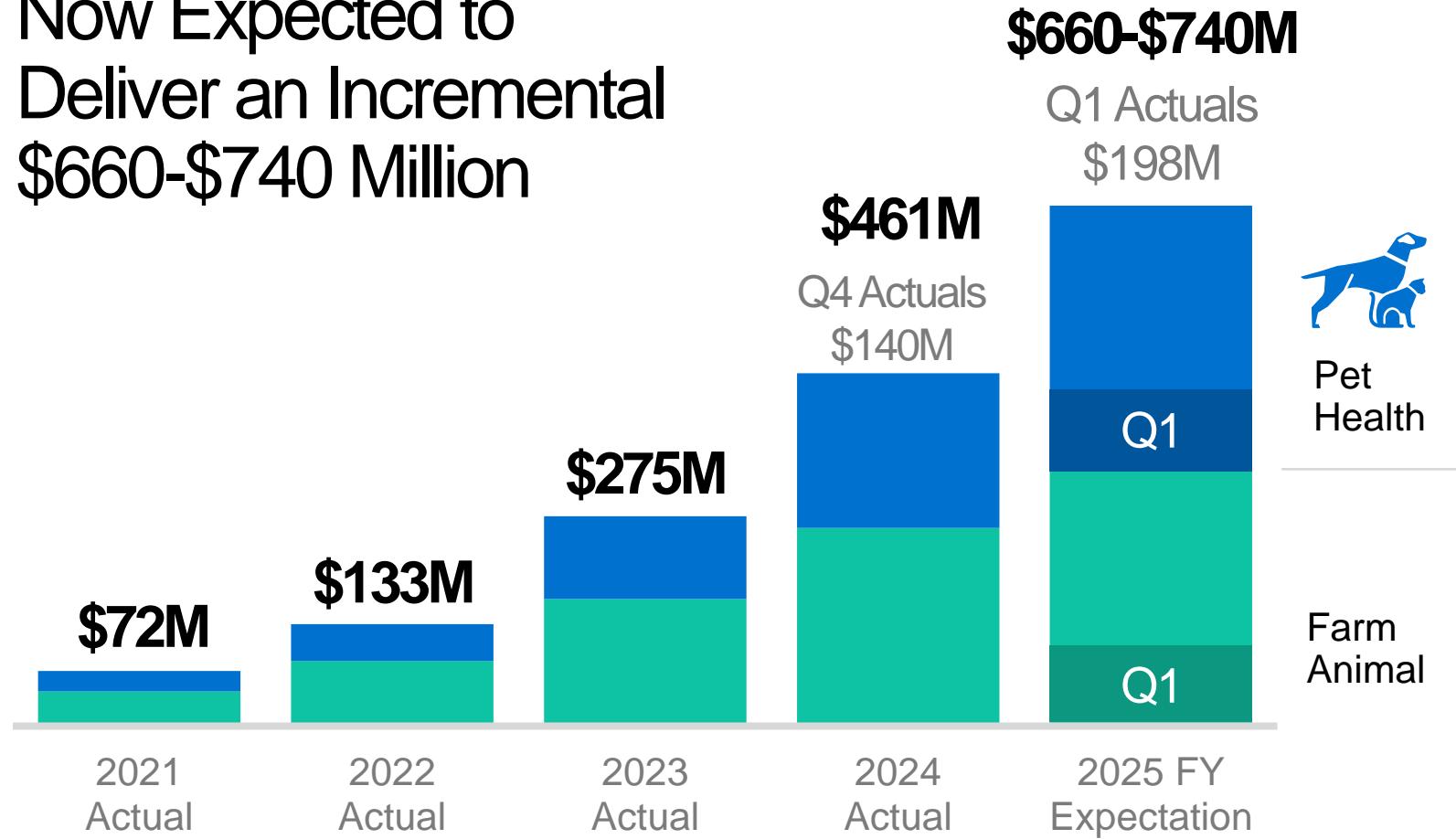
\$ millions



Numbers may not add due to rounding. All growth rates noted are constant currency, a non-GAAP financial measure, representing revenue growth excluding the impact of foreign exchange rates. ¹Represents organic growth which excludes the estimated impact of the aqua business, which was divested July 9, 2024.

2025 Innovation

Sales Target Raised: Now Expected to Deliver an Incremental \$660-\$740 Million



Note: Expected innovation revenue of \$660-\$740 million is incremental in reference to 2020 sales and does not include the expected impact of cannibalization on the base portfolio.



**Big 6 Innovation
early in launch
curve with portfolio
exceeding the
corporate gross
margin average**

Updates on Select Major Innovation Products



- Achieved use in ~11,000 U.S. clinics, representing penetration of over 35%, with full adoption in ~8,000 vs. ~6,000 in late February
- Reorder rate of ~70%, improving from above 60% in late February
- \$600-\$700M international market size; performing ahead of expectations in Brazil, Canada, Japan; EU, UK, Australia approvals on track for 2025



- Focus on increasing access to this life-saving treatment, especially with shelters
- Pursuing interventions on pricing to address the cost of the treatment
- International expansion after 2030 driving blockbuster potential



- Achieved ~10% dollar share of the broad-spectrum sales into U.S. vet clinics in Q1¹
- Share capture favorable to expectations; switches from competition and new starts representing over two-thirds of sales
- Increasing DTC investment in Q2 due to strong early performance



- Q1 U.S. sales increased 200% year over year
- Potential annual U.S. and Canada market size of \$350M+
- Heifer clearance expected to continue market expansion opportunity



- Growth is accelerating, with Q1 sales doubling year over year
- Increasing DTC investment in Q2 due to strong performance and ROI
- Approved and launched in the UK, a key market, in April 2025



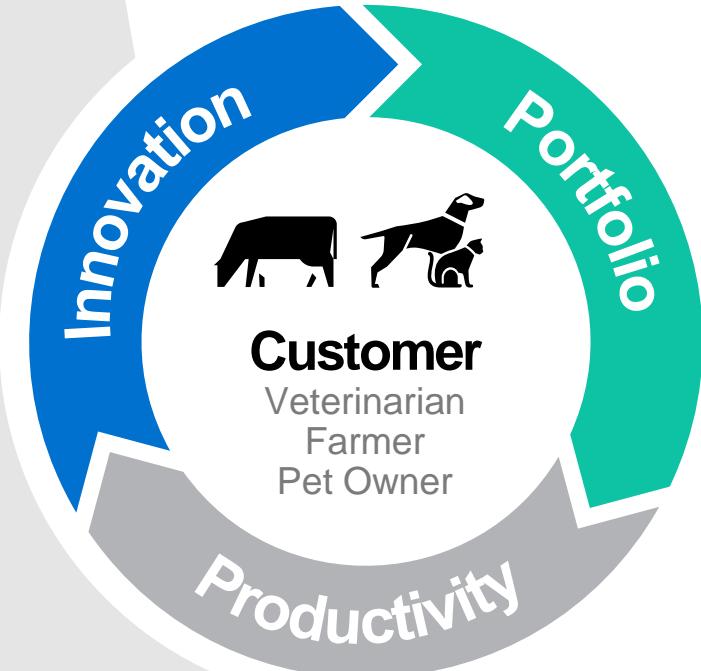
- Strong demand from farmers and CPGs; cows on Bovaer doubled since February
- Data submitted for expanded claim, enhancing value and user flexibility

IPP

Innovation, Portfolio, Productivity

Recent Highlights

Consistent Progress Across Our Strategic Priorities



Deliver Consistent, High-Impact Innovation

Credelio Quattro

Strong early performance; market share and portfolio lift ahead of expectations

Exuperior

Fast adoption from heifer clearance continuing

AdTab

Growth accelerating; approved and launched in the UK in April 2025

Optimize Our Diverse Portfolio to Grow Share

Share Gains

In U.S. Pet Health markets: para, NSAIDs, derm, and vaccines

International

Broad-based growth continuing in many key markets and in both pet and farm

Pradalex

Fast-growing BRD treatment bolstering our portfolio of solutions

Continuously Improve Productivity & Cash Flow

Lotilaner U.S.

Royalties

Accelerating debt paydown with non-core asset monetization

Capex

Investments

Elwood, Kansas and Ft. Dodge, Iowa expansions on track

Manufacturing

GM expansion with strong management of absorption, losses, and expenses

Financial Results

First Quarter 2025

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First Quarter 2025

Impact of Price, Rate, and Volume on Revenue

\$ Millions	Revenue	Price	FX Rate	Organic ¹ Volume	Aqua Volume	Total	Organic CC ² Change
Pet Health	\$635	2%	(2)%	(1)%	0%	(1)%	1%
Cattle	\$272		(3)%			11%	14%
Poultry	\$189		(4)%			(4)%	0%
Swine	\$85		(2)%			1%	3%
Aqua	\$0					(100)%	
Farm Animal	\$546	3%	(3)%	4%	(6)%	(2)%	7%
Contract Mfg. / Other	\$12					20%	
Total Elanco	\$1,193	2%	(2)%	2%	(3)%	(1)%	4%

Reported revenue in millions. Numbers may not add due to rounding.

¹Organic excludes the aqua business, which was divested July 9, 2024.²Constant currency (CC) is a non-GAAP financial measure, representing revenue growth excluding the impact of foreign exchange rates.

First Quarter 2025

Revenue by Geography and Species

\$ Millions	2025	2024	Change (%)	Organic CC ¹ Change (%)
US Pet Health	\$323	\$333	(3)%	(3)%
Int'l Pet Health	\$312	\$306	2%	5%
Total Pet Health	\$635	\$639	(1)%	1%
US Farm Animal	\$230	\$197	17%	17%
Int'l Farm Animal ¹	\$316	\$360	(12)%	2%
Total Farm Animal¹	\$546	\$556	(2)%	7%
Contract Mfg. / Other	\$12	\$10	20%	
Total Elanco¹	\$1,193	\$1,205	(1)%	4%

Reported revenue in millions. Numbers may not add due to rounding.

¹Organic CC Change = Representing revenue change excluding revenue from the aqua business, which was divested July 9, 2024, and the impact of foreign exchange rates.

First Quarter 2025

Adjusted¹ Income Statement Highlights

Including Impact from Aqua Divestiture

\$ millions, except per share values	2025	2024	Change (\$) ²	Change (%) ²
Revenue	\$1,193	\$1,205	\$(-12)	(1)%
Cost of Sales	\$508	\$515	\$(-7)	(1)%
Adjusted Gross Profit	\$685	\$690	\$(-5)	(1)%
Adjusted Gross Margin	57.4%	57.3%	NM	+10 bps
Operating Expense	\$435	\$424	\$11	3%
Interest Expense, Net	\$40	\$66	\$(-26)	(39)%
Other Expense	\$7	\$4	\$3	75%
Effective Tax Rate	9.2%	15.0%	NM	NM
Adjusted Net Income	\$184	\$167	\$17	10%
Adjusted Earnings Per Share Diluted	\$0.37	\$0.34	\$0.03	9%
Adjusted EBITDA	\$276	\$294	\$(-18)	(6)%
Adjusted EBITDA Margin	23.1%	24.4%	NM	(120) bps

Note: Numbers may not add due to rounding.

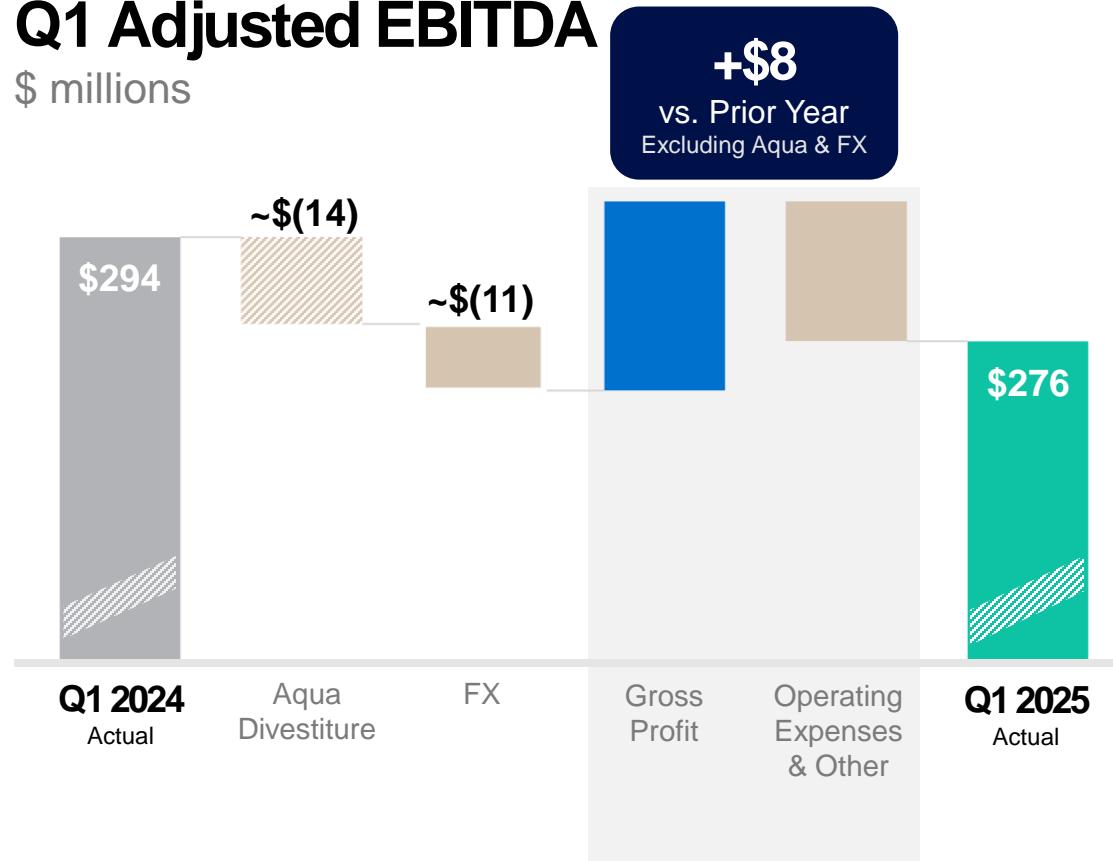
¹Non-GAAP financial measures. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.²Comparisons have not been adjusted for the unfavorable impact of the aqua divestiture which was completed on July 9, 2024.

First Quarter 2025

Adjusted EBITDA and Adjusted EPS Drivers

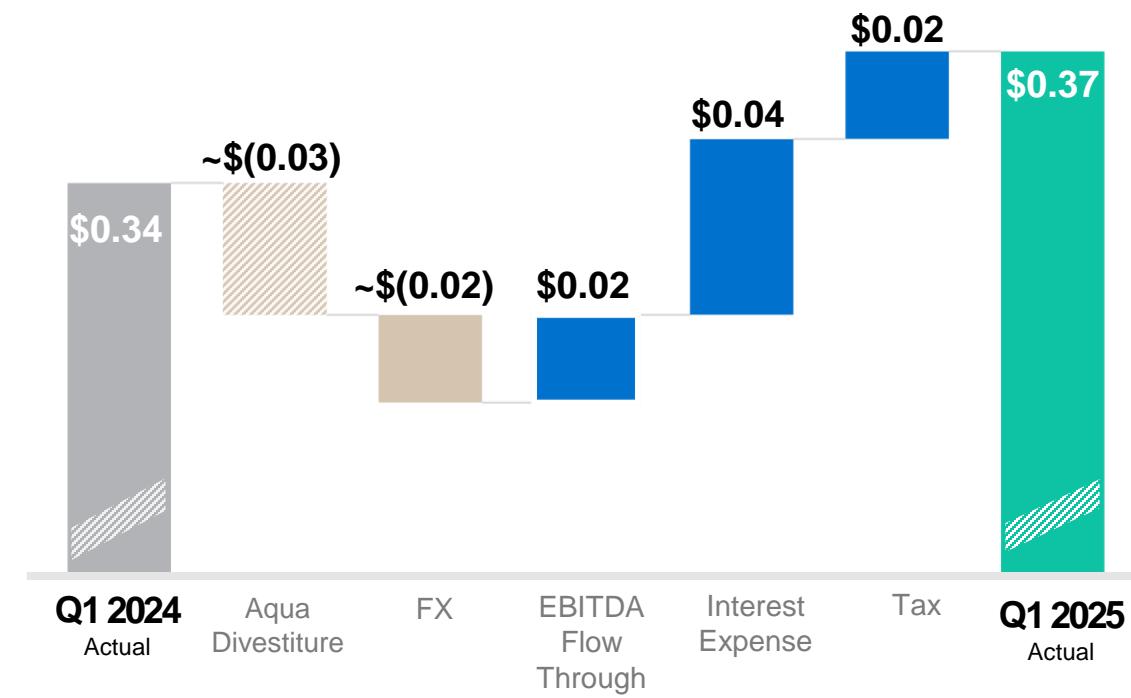
Q1 Adjusted EBITDA

\$ millions



Q1 Adjusted EPS

\$ millions

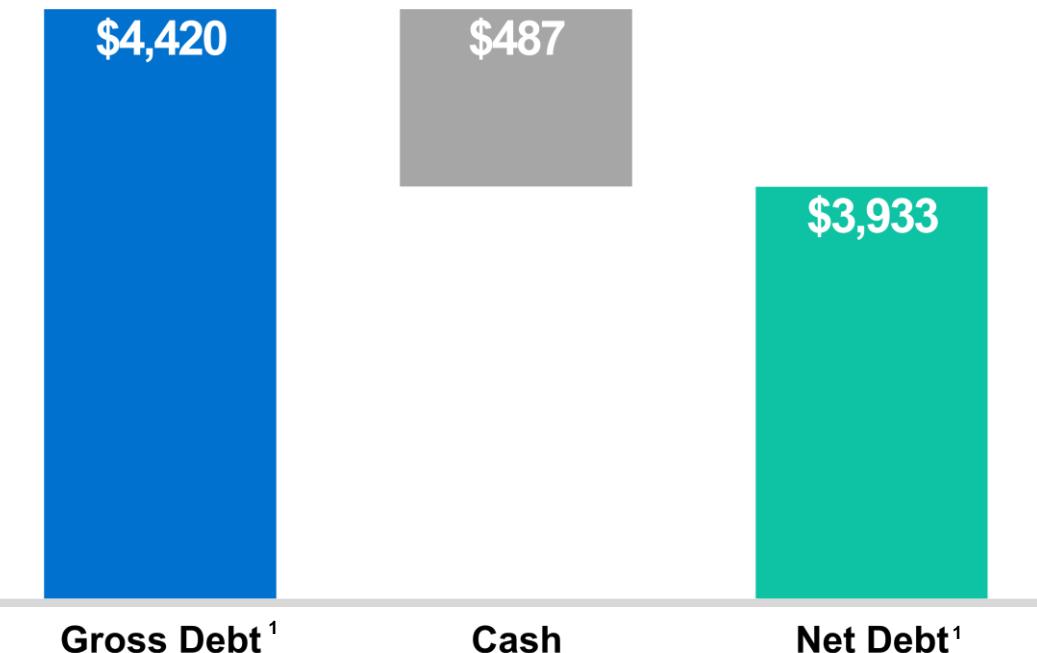


Note: Numbers may not add due to rounding and ranges.

Key Balance Sheet and Cash Flow Metrics

Debt Balances as of March 31, 2025

\$ millions



Operating Cash Flow (OCF) of \$(4)M
Cash usage reflects typical seasonality

Days Sales Outstanding² at 75 days
Year over year decrease of 3 days reflects improved working capital management

Q1 Net Leverage Ratio³ 4.4x
Gross debt increased by \$74M to fund short-term working capital needs; expect \$450-\$500M of 2025 gross debt paydown

Note: Numbers may not add due to rounding.

¹Net debt is a non-GAAP measure calculated as gross debt 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. ²DSO calculated as the trailing 12-month average. ³Net leverage ratio calculated as gross debt less cash and cash equivalents on our balance sheet divided by adjusted EBITDA.

Financial Guidance

Second Quarter and Full Year 2025

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2025 Full Year

Financial Guidance

\$ millions, except
per share values

	February	May	Comments
Revenue	\$4,445 - \$4,510	\$4,510 - \$4,580	Revenue raise driven by FX
Reported Net (Loss) Income	\$(25) - \$7	\$(35) - \$(7)	
Adjusted EBITDA¹	\$830 - \$870	\$830 - \$870	Unchanged from prior guide
Reported Diluted EPS	\$(0.05) - \$0.01	\$(0.07) - \$(0.01)	
Adjusted Diluted EPS¹	\$0.80 - \$0.86	\$0.80 - \$0.86	Unchanged from prior guide



FX Headwinds

Reduced by \$65-\$70M from February guide, leading to increased reported revenue guidance



Adjusted EBITDA Cadence

H1 weighting less than prior years, reflecting strategic investments in launches and innovation revenue ramp



Net Leverage Ratio

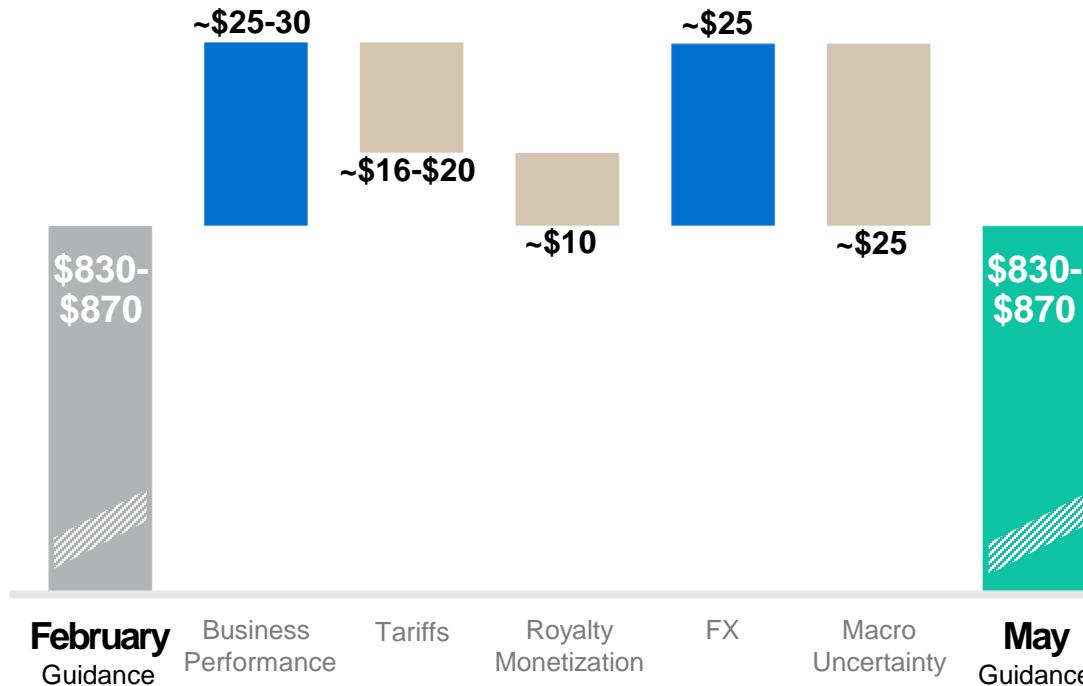
Year-end target improved to 3.9-4.3x with disciplined working capital management, more favorable FX, and longer U.S. royalty monetization

¹Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.

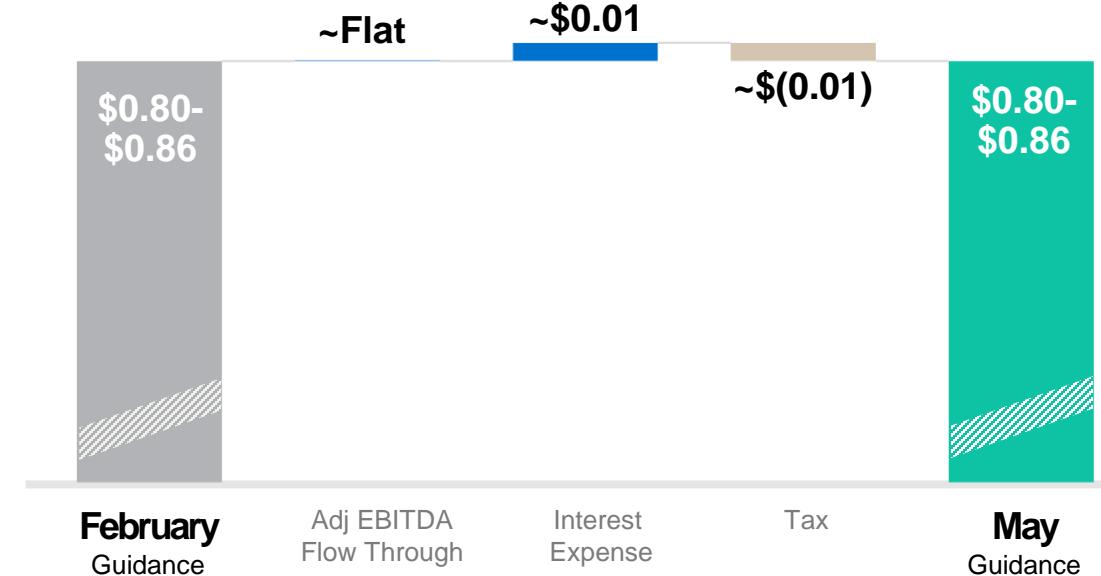
February Guidance to May Guidance Bridge

Maintaining Adj. EBITDA and Adj. EPS Guidance

2025 Adj. EBITDA



2025 Adj. EPS



Note: Numbers may not add due to rounding and ranges. Dollars in millions, except per share amounts.

Second Quarter 2025

Financial Guidance

\$ millions, except
per share values

	Q2 Guidance	Comments
Revenue	\$1,175 - \$1,195	Expect 4%-6% organic CC ² growth
Reported Net Loss	\$(22) - \$(3)	
Adjusted EBITDA¹	\$200 - \$220	Includes operating expenses up ~11% CC
Reported Diluted EPS	\$(0.04) - \$(0.01)	
Adjusted Diluted EPS¹	\$0.17 - \$0.21	Tax rate expected 25%-27%



FX Headwind

Expected headwind vs. prior year of ~\$5M to revenue



Pet Health Investments

Supporting key innovation product launches, primarily in the U.S. and for AdTab



Additional Q2 Assumptions

Interest expense of ~\$45M; ~\$150M of cash taxes related to the 2024 aqua divestiture expected to be paid

¹Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.

²Organic CC Growth = Representing revenue growth excluding revenue from the aqua business, which was divested July 9, 2024, and the impact of foreign exchange rates.

Elanco's Strategic Trajectory: Powerful Momentum into 2025

2018-2020

Established Foundation Focused on Animal Health

Acquisitions for portfolio diversity; Spin-out of Eli Lilly with 2018 IPO; Dedicated sites & systems

2019-2021

Balanced Mix & Increased Scale

Portfolio diversifying acquisition of Bayer Animal Health increased global scale, with productivity focus

2021-2024

Innovation Delivered & Enhanced Capabilities

Late-stage pipeline delivered; Strategy streamlined; Launch efforts re-imagined

2025 & Beyond

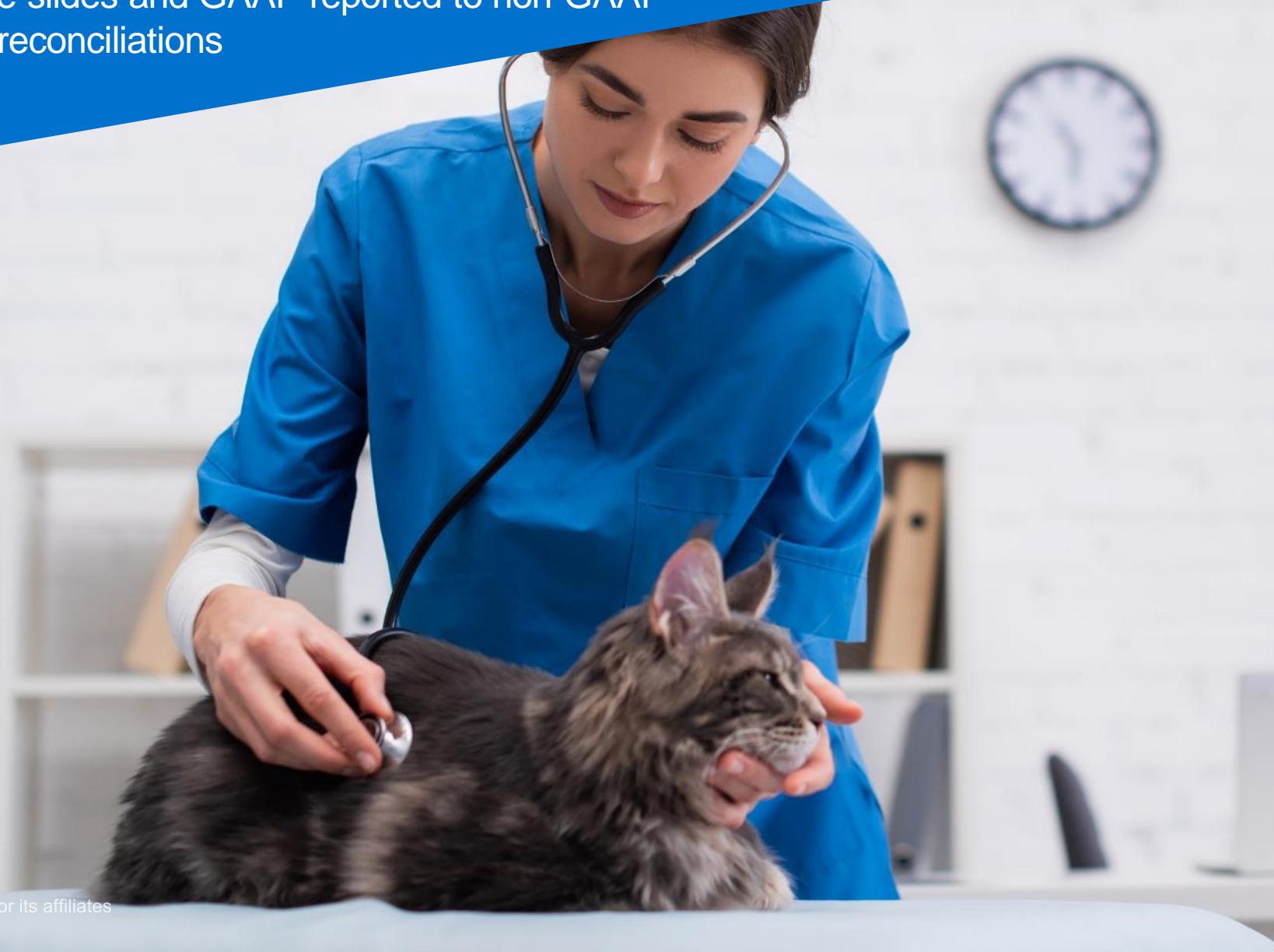
Poised for Sustainable Revenue Growth

Multiple potential blockbusters in market and a stabilizing base to drive growth

Accelerating contribution from innovation, majority already approved, and a stabilizing base business expected to drive sustainable growth. Leveraging the existing cost base allows for expected margin expansion in 2026 and beyond

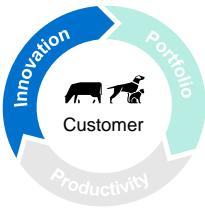
Appendix

Reference slides and GAAP reported to non-GAAP
adjusted reconciliations



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Seven Potential Blockbusters Expected to Fuel Revenue Growth in 2025 and Beyond

Asset	Market Focus	Species	Approval ¹	Launch ²	Peak Sales Opportunity ³	Commentary
Experior Ammonia Reduction	U.S. Beef Feedlot (Rx)	🐄			↗	First-in-class; Combo clearance approval to drive expanded use in heifers; blockbuster in U.S. alone
Canine Parvovirus Monoclonal AB (CPMA)	U.S. Vet (Rx)	🐕	Q2 2023 conditional	Q3 2023	↗	First-in-class; Elanco's first monoclonal antibody; pursuing full approval via USDA
AdTab Oral Flea/Tick	EU Retail (OTC)	🐕 🐱	Q2 2023	Q2 2023	↗	Establishes Elanco presence in emerging EU OTC oral F/T ; Approved and launched in the U.K.
Bovaer® Methane Reduction	U.S. Dairy	🐄	Q2 2024	Q3 2024	↗	First-in-class
Zenrelia™ Dermatology	Global Vet (Rx)	🐕	Q3 2024	Q3 2024	↗	Differentiated efficacy and convenience; Int'l approvals to date: Brazil, Japan, Canada
Credelio Quattro™ Endecto Parasiticide	U.S. Vet (Rx)	🐕	Q4 2024	Q1 2025	↗	Differentiated coverage launching into fast growing endecto market segment
IL-31 SA Antibody Dermatology	Global Vet (Rx)	🐕	Q4 2025	H1 2026	↗	Differentiated monoclonal antibody pending USDA approval

↗ ≥\$100M ⚡ Update since Q4 2024 Earnings Call

¹Expected approval timing is subject to regulatory agency outcomes. ²Expected launch timing is based on regulatory agency outcomes and internal estimates and could change as programs evolve. ³Potential peak sales represent the level of annual sales expected for a product on a global basis at its peak.

Full Year 2025

Financial Guidance & Additional Assumptions

\$ millions, except
per share values

	February	May
Total Revenue	\$4,445 – \$4,510	\$4,510 – \$4,580
Adjusted Gross Margin ¹	53.9% – 54.6%	54.2% – 54.7%
Operating Expenses	\$1,700 – \$1,720	\$1,735 – \$1,750
Adjusted EBITDA¹	\$830 – \$870	\$830 – \$870
Adjusted EBITDA Margin¹	18.7% – 19.3%	18.4% – 19.0%
Adjusted Interest Expense, Net	Approx. \$200	Approx. \$190
Tax Rate	21% – 22%	21% – 23%
Adjusted Earnings per Share¹	\$0.80 – \$0.86	\$0.80 – \$0.86
Weighted Average Diluted Share Count	Approx. 500 million	Approx. 500 million
Capital Expenditures	\$225 – \$255	\$225 – \$255
Cash Taxes	Approx. \$240	Approx. \$230
Cash Interest	Approx. \$240	Approx. \$225

¹Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.

First Quarter 2025

Adjusted EBITDA Reconciliation

\$ millions

	2025	2024
Reported Net Income	\$67	\$32
Net Interest Expense	\$40	\$66
Income Tax Benefit	\$(7)	\$(20)
Depreciation and Amortization	\$161	\$165
EBITDA	\$261	\$243
Non-GAAP Adjustments		
Cost of Sales	\$1	\$0
Asset Impairment, Restructuring, and Other Special Charges	\$9	\$46
Other Expense, Net	\$5	\$5
Adjusted EBITDA	\$276	\$294
Adjusted EBITDA Margin	23.1%	24.4%

Numbers may not add due to rounding.

First Quarter 2025

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

\$ millions, except
per share values

	2025			2024		
	GAAP Reported	Adjusted Items	Non- GAAP	GAAP Reported	Adjusted Items	Non- GAAP
Cost of Sales	\$509	\$1	\$508	\$515	\$0	\$515
Amortization of Intangible Assets	\$128	\$128	\$0	\$133	\$133	\$0
Asset Impairment, Restructuring and Other Special Charges ¹	\$9	\$9	\$0	\$46	\$46	\$0
Other Expense, Net ²	\$12	\$5	\$7	\$9	\$5	\$4
Income Before Taxes	\$60	\$143	\$203	\$12	\$184	\$196
Income Tax (Benefit) Expense ³	\$(7)	\$(26)	\$19	\$(20)	\$(49)	\$29
Net Income	\$67	\$117	\$184	\$32	\$135	\$167
Earnings per Share Diluted	\$0.13	\$0.24	\$0.37	\$0.06	\$0.28	\$0.34
Adjusted Weighted Average Shares Outstanding Diluted	499.1	499.1	499.1	496.0	496.0	496.0

Numbers may not add due to rounding.

See slide 26 for details of adjustments to certain GAAP reported measures.

First Quarter 2025

Details of Adjustments to Certain GAAP Reported Measures

For the three months ended March 31, 2025 and 2024:

- (1) Adjustments of \$9 million for the three months ended March 31, 2025, included \$7 million of upfront payments made in relation to new licensing arrangements. Adjustments of \$46 million for the three months ended March 31, 2024, consisted of \$39 million of restructuring costs and \$7 million of divestiture-related charges preceding the July 2024 divestiture of our aqua business.
- (2) Adjustments of \$5 million for the three months ended March 31, 2025, related to mark-to-market adjustments of our equity investments and the impact of hyperinflationary accounting in Turkey. Adjustments of \$5 million for the three months ended March 31, 2024, primarily related to the impact of hyperinflationary accounting in Turkey and an increase in our accrual related to a possible resolution or settlement relating to our previously disclosed matter with the SEC.
- (3) Adjustments of \$26 million and \$49 million for the three months ended March 31, 2025 and March 31, 2024, respectively, primarily represented the income tax expense associated with the adjusted items discussed above. The adjustments for the three months ended March 31, 2025, also reflect a \$35 million benefit related to a discrete tax item recognized during the quarter. The adjustments for the three months ended March 31, 2024, also included \$14 million related to the partial release of a valuation allowance attributable to the anticipated sale of our aqua business.

Full Year 2025

EBITDA Guidance Reconciliation

\$ millions

Reported Net Loss	$(\$35) - (\$7)$
Net Interest Expense	Approx. \$210 w/ Royalty Monetization
Income Tax Benefit	$($22) - ($4)$
Depreciation and Amortization	Approx. \$650
EBITDA	$\$803 - \852
Non-GAAP Adjustments	
Cost of Sales	Approx. \$2
Asset Impairment, Restructuring, and Other Special Charges	Approx. \$15
Other Expense, Net	Approx. \$12
Royalty Monetization	Approx. $($10)$
Adjusted EBITDA	$\$830 - \870
Adjusted EBITDA Margin	$18.4\% - 19.0\%$

Note: Numbers may not add due to rounding.

Full Year 2025

EPS Guidance Reconciliation

Reported Loss per Share	\$(0.07) - \$(0.01)
Cost of Sales	Approx. \$0.00
Amortization of Intangible Assets	Approx. \$1.04
Asset Impairment, Restructuring, and Other Special Charges	\$0.03 - \$0.05
Other Expense, Net	\$0.02 - \$0.03
Royalty Monetization	Approx. \$0.01
Subtotal	\$1.12 - \$1.13
Tax Impact of Adjustments	\$(0.26) - \$(0.24)
Total Adjustments to Earnings per Share	\$0.87 - \$0.88
Adjusted Earnings per Share¹	\$0.80 - \$0.86

Note: Numbers may not add due to rounding.

¹Adjusted EPS is calculated as the sum of reported EPS and total adjustments to EPS.

Second Quarter 2025

**EBITDA
Guidance
Reconciliation**

\$ millions

Reported Net Loss	\$(22) - \$(3)
Net Interest Expense	Approx. \$50
Income Tax Expense	\$(0) - \$7
Depreciation and Amortization	Approx. \$165
EBITDA	\$193 - \$218
Non-GAAP Adjustments	
Asset Impairment, Restructuring, and Other Special Charges	Approx. \$5
Other Expense, Net	Approx. \$5
Royalty Monetization EBITDA	Approx. \$(3)
Adjusted EBITDA	\$200 - \$220
Adjusted EBITDA Margin	17.0% - 18.4%

Note: Numbers may not add due to rounding.

Second Quarter 2025

EPS Guidance Reconciliation

Reported Loss per Share	\$(0.04) - \$(0.01)
Amortization of Intangible Assets	Approx. \$0.26
Asset Impairment, Restructuring, and Other Special Charges	\$0.00 - \$0.01
Other Expense, Net	Approx. \$0.01
Royalty Monetization	Approx. \$0.00
Subtotal	\$0.28 - \$0.29
Tax Impact of Adjustments	\$(0.07) - \$(0.06)
Total Adjustments to Earnings per Share	Approx. \$0.22
Adjusted Earnings per Share¹	\$0.17 - \$0.21

Note: Numbers may not add due to rounding.

¹Adjusted EPS is calculated as the sum of reported EPS and total adjustments to EPS.



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