

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 105354 / May 1, 2026

ADMINISTRATIVE PROCEEDING
File No. 3-22309

In the Matter of	:	
	:	ORDER APPROVING
	:	PLAN OF DISTRIBUTION
Elanco Animal Health Inc.,	:	
	:	
Respondent.	:	
	:	

On November 12, 2024, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (the “Order”)¹ against Elanco Animal Health Inc. (the “Respondent”). In the Order, the Commission found that Elanco failed to disclose material information concerning its sales practices that rendered statements it made about its revenue growth misleading. From the first quarter of 2019 to the first quarter of 2020, Elanco relied on quarter-end incentives to its distributors so Elanco could make sales to meet its internal quarterly revenue and core revenue growth targets (“Incentivized Sales”). The Commission found that without these Incentivized Sales, Elanco would have missed its internal revenue and core growth targets in each quarter in 2019. Additionally, the Commission found that Elanco failed to disclose the use of Incentivized Sales publicly, rendering positive statements it made about revenue materially misleading, and it failed to warn investors of the impact Incentivized Sales could have on its future revenue. Elanco decided to stop offering Quarter-End Incentivized Sales to distributors and to reduce channel inventory in the first quarter of 2020, which impacted Elanco’s revenue and profits for the quarter. On May 7, 2020, Elanco announced an expected \$160 million decline in revenue for the first and second quarters of 2020 that caused its share price to drop by over 13%.

As a result of the conduct described in the Order, Elanco violated Securities Act Sections 17(a)(2) and (3) and Exchange Act Section 13(a) and Rules 12b-20, 13a-1, 13a-11, 13a-13, and 13a-15(a) thereunder.

The Commission ordered the Respondent to pay a \$15,000,000.00 civil money penalty to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the

¹ Securities Act Rel. No. 11326 (Nov. 12, 2024).

Sarbanes-Oxley Act of 2002, to allow the penalty collected to be distributed to harmed investors (the “Fair Fund”).

The Fair Fund consists of the \$15,000,000.00 collected from the Respondent. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Fair Fund and has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and any interest accrued will be added to the Fair Fund.

On March 13, 2026, the Division of Enforcement, pursuant to delegated authority, published a Notice of Proposed Plan of Distribution and Opportunity for Comment (“Notice”),² pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans (“Commission’s Rules”),³ and simultaneously posted the Proposed Plan of Distribution (the “Proposed Plan”). The Notice advised interested persons that they could obtain a copy of the Proposed Plan from the Commission’s public website or by submitting a written request to Ilana Z. Sultan, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5876. The Notice also advised that all persons desiring to comment on the Proposed Plan could submit their comments, in writing, within 30 days of the Notice. The Commission received no comments on the Proposed Plan during the comment period.

The Proposed Plan provides for the distribution of the Net Available Fair Fund⁴ to investors who were harmed by the Respondent’s conduct described in the Order, in connection with Elanco’s failure to disclose material information concerning its sales practices that rendered statements it made about its revenue growth misleading. As calculated using the methodology detailed in the Plan of Allocation, investors will be compensated for their losses on shares of Elanco’s common stock, with trading symbol ELAN, purchased or acquired on May 9, 2019, through May 6, 2020, inclusive.

The Division of Enforcement now requests that the Commission approve the Proposed Plan.

² Exchange Act Rel. No. 104992 (Mar. 13, 2026).

³ 17 C.F.R. § 201.1103.

⁴ All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Proposed Plan.

Accordingly, it is hereby ORDERED, pursuant to Rule 1104 of the Commission's Rules,⁵ that the Proposed Plan is approved, and the approved Plan of Distribution shall be posted simultaneously with this order on the Commission's website at www.sec.gov.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.⁶

Vanessa A. Countryman
Secretary

⁵ 17 C.F.R. § 201.1104.

⁶ 17 C.F.R. § 200.30-4(a)(21)(iv).