



New Research Reveals Pet Spending as a "Protected Budget Item" for Owners, Fueling Industry Resilience

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INDIANAPOLIS, June 3, 2026 /PRNewswire/ -- Elanco Animal Health Incorporated (NYSE: ELAN), a global leader in animal health, today released new consumer research showing pet owners continue to prioritize spending on their pets, underscoring the robust and resilient nature of the industry.



According to Elanco's latest survey of 1,409 U.S. pet owners conducted May 29-31, even with rising costs across spending categories including higher gas prices, pet health and wellness remain an absolute priority for pet owners as a protected budget item.

- **Stable Expectations for Pet Owner Spend:** 91% of pet owners have at least maintained their spending on pet health and wellness products in recent years, with 38% of pet owners increasing spend. This remains stable with February research prior to rising fuel prices.
- **Increasing Pet Care Spend Despite Rising Costs of Living:** 31% of pet owners say they've increased spending on their pets' health and wellness in the past three months, despite increasing economic challenges. Further, 90% of pet owners expect their spending to stay the same or increase (37%) in the year ahead.
- **Pet Health & Wellness as a Top Priority and Core Expenditure:** 95% of pet owners see pet health and wellness care as a priority that they will not reduce due to economic pressure. Even when consumers face personal financial challenges, they are willing to cut spending on themselves – dining out, travel – before their pets. In fact, pet health and wellness was the last item in the surveyed categories that consumers would cut if required to reduce expenses.

Elanco's latest research reveals a powerful and enduring shift in consumer behavior shaped by a new kind of pet owner – one who is more engaged, more informed and more empowered than ever before. Pets are no longer just companions – they're family. With fewer kids and more pets, pet owners are demonstrating an increased expectation of care and desire for longer, healthier lives for their pets. This profound commitment translates directly into a strong and durable willingness to invest in their wellbeing, with 88% of pet parents saying their pet's happiness and wellbeing is as important as their own.

"Our research consistently shows that pet care is not a discretionary expense; it's a deeply emotional and highly prioritized investment for pet parents," said Bobby Modi, Executive Vice President, U.S. Pet Health and Digital Transformation. "Pet owners are demonstrating an unwavering commitment to their animals' health, driving demand for innovative, high-quality solutions. This fundamental consumer trend underpins the resilience and growth potential of the companion animal industry, and Elanco is strategically positioned to capitalize on it."

These findings reinforce the broader industry data showing the animal health industry is one of the most compelling and resilient sectors, with a 20-year track record of continual growth, averaging about 5% annually. Elanco estimates the industry expanded by 7% in 2025. Deep consumer commitment to pets and a surging demand for animal protein are driving sustained growth. With a long runway ahead, the animal health industry is projected to grow from \$42 billion in 2025 to \$60 billion in the next decade.

Key pet health trends further amplify this opportunity:

- **Omnichannel Access & Convenience:** Modern pet owners seek convenience and diverse access points for care. While vet visit volumes may fluctuate, spending on vet services continues to grow, indicating a strong willingness to spend on

innovation. Further, approximately 40% of pet care sales are subscription-based. Additionally, many consumers spend outside the vet clinic. The 2024 APPA National Pet Owners Survey indicated approximately one-third of all dog and cat owners didn't take their pet to a veterinarian in the previous year. Elanco is well-positioned with an omnichannel approach to meet pet owners where, when, and how they choose to engage.

- **Comprehensive Portfolios & Innovation:** Pet owners are willing to spend on innovation, which creates the value that drives industry pricing. Elanco is well-positioned with its market-leading growth in U.S. Pet Health through a basket of innovation, #1 standing in OTC¹ and status as just one of two industry providers with a complete portfolio.
- **Expanding Diagnostic Opportunities:** Currently, only one in five pet visits includes diagnostics, meaning the true spectrum of disease is often unknown. As diagnostics expand what can be detected, and AI accelerates what can be learned, the opportunity to improve pet health and drive value is substantial.

Elanco remains committed to providing pet owners with a wide range of innovative solutions at a variety of price points where they want to shop, that deliver on pet owners' desire to help their pets live longer, healthier, more active lives.

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 expected consumer trends, market dynamics and industry growth. 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.

¹ Internal estimates based on multiple data sources, as provided with our financial results reported on May 6, 2026

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