

September 11th, 2022

Elanco's Journey in Global e-Invoicing

Elanco

TM

Elanco's journey in E-invoices

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Who We Are

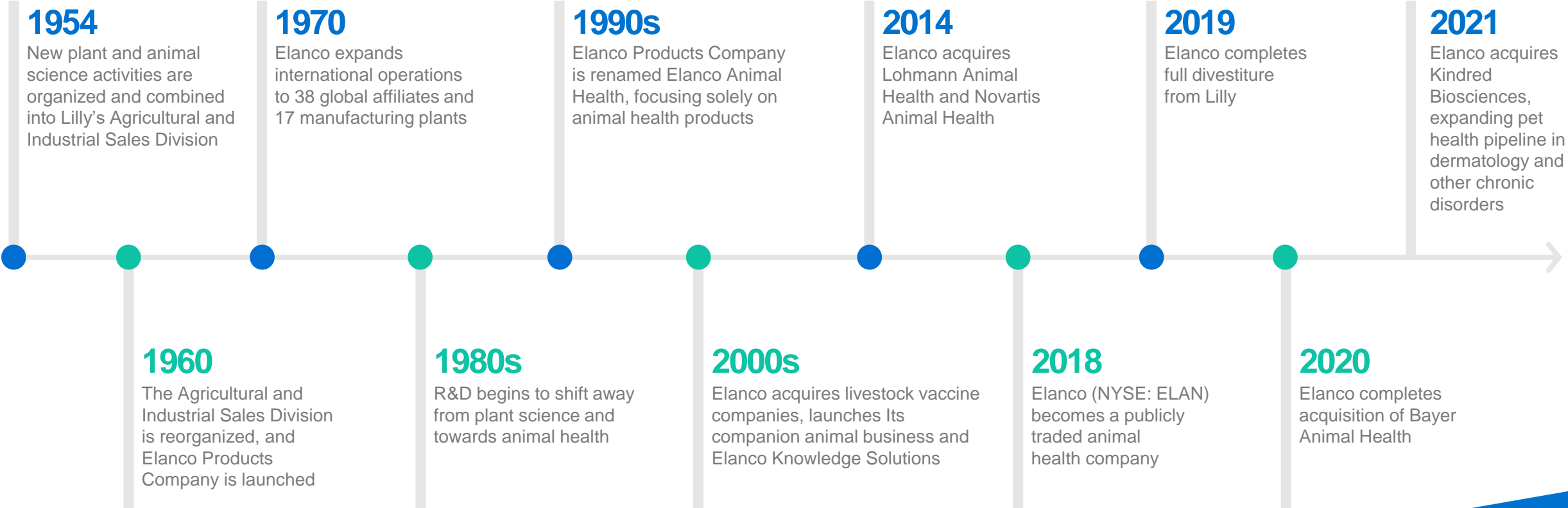
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A 67-Year-Old Start-Up

The well-being of animals – from cats to cows – has never been more important to society. But it’s been important to us since our start in 1954.





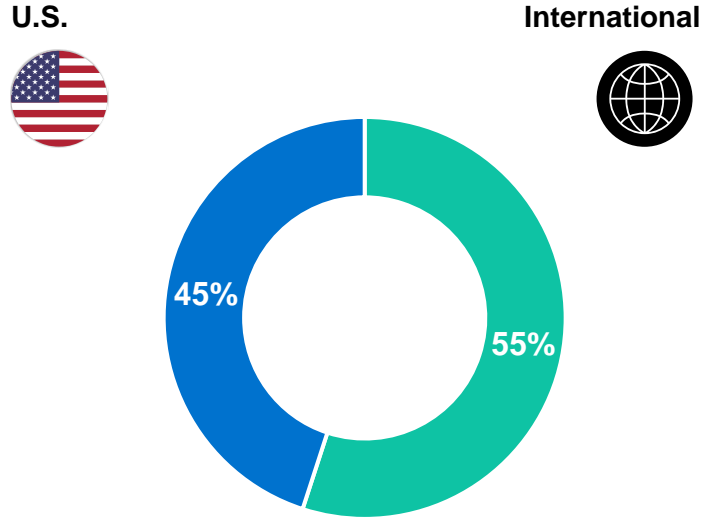
It all starts with animals and the people who care for them

At Elanco, we believe that healthier animals can be a solution to some of the world's significant challenges.

We're a focused animal health company, positioned to create value for farmers, veterinarians, pet owners, our stakeholders and society as a whole, making a difference in some of the world's greatest challenges – from malnutrition, obesity, social isolation and mental health to environmental health and sustainability. Because making life better for animals, makes life better.

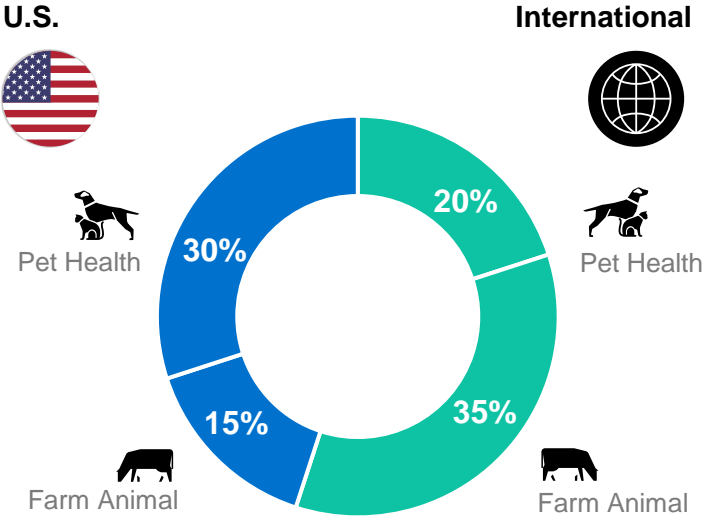
A Global, Diverse, Balanced Portfolio

Geography



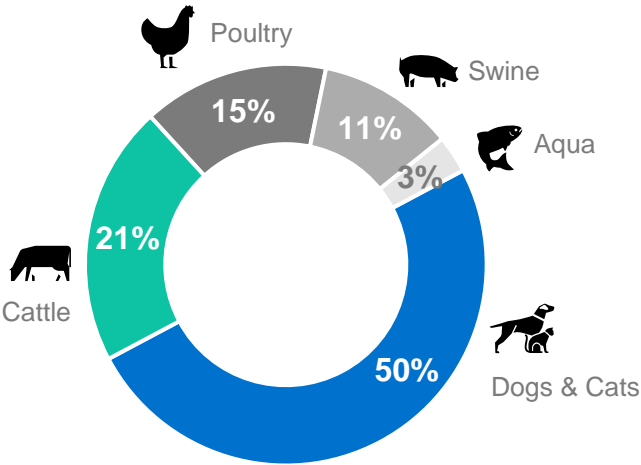
Balanced global revenue base

Revenue Category



Pet Health ~50%; More than doubled international Pet Health

Species



Enhanced cattle portfolio; Poultry remains significant

Note: Percentages represent Elanco 2020 pro forma revenue estimates, exclude Contract Manufacturing of \$110M and may not add due to rounding © 2022 Elanco or its affiliates



Elanco SAP Project in few words:

- Global scope. Vision: One Elanco, One ERP.
- Current project:
 - migrating ECC 6.0 (Bayer) and upgrading S4 OP 1809 (Legacy Elanco) to SAP S/4 HANA OP 2020.
 - Tech Go live in Jan 2023. Business go live in April 2023.
 - Enterprise structure:
84 company codes. 44 countries. 258 plants. 56 sales organization.

One Integrated Elanco

Exiting Lilly and standing up Bayer

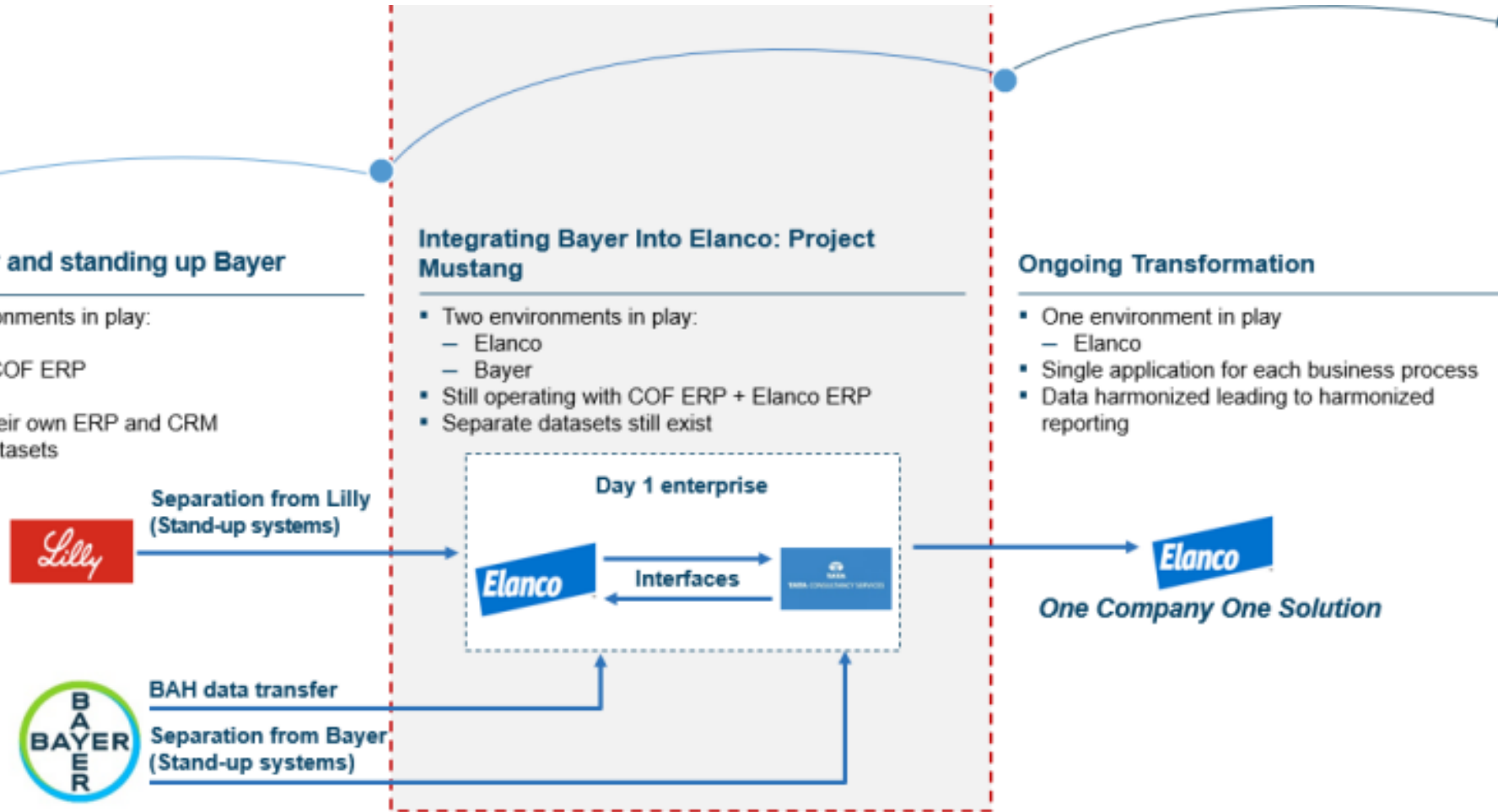
- Three environments in play:
 - Elanco
 - Bayer / COF ERP
 - Lilly
- Each has their own ERP and CRM
- Separate datasets

Integrating Bayer into Elanco: Project Mustang

- Two environments in play:
 - Elanco
 - Bayer
- Still operating with COF ERP + Elanco ERP
- Separate datasets still exist

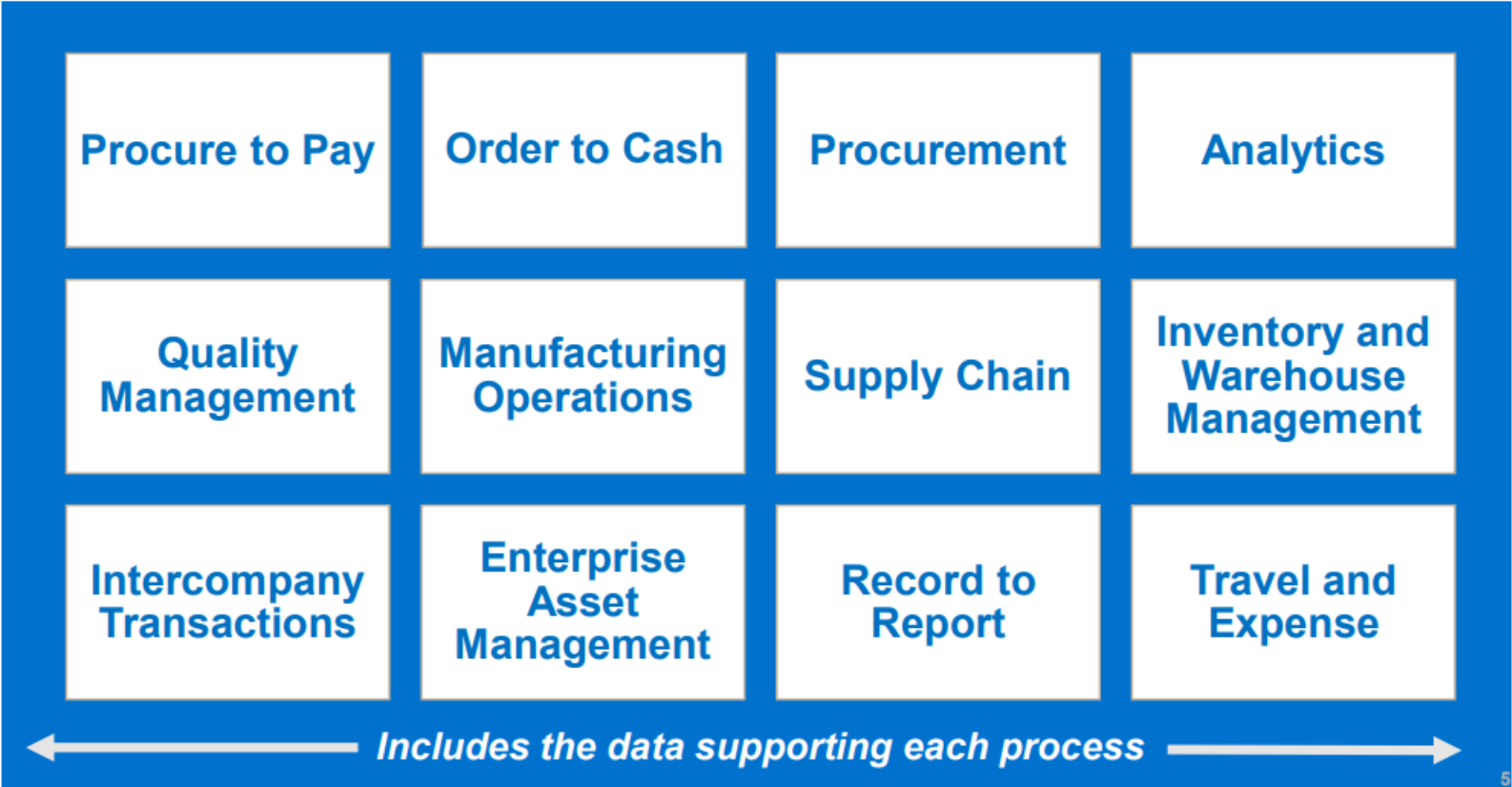
Ongoing Transformation

- One environment in play
 - Elanco
- Single application for each business process
- Data harmonized leading to harmonized reporting



Project Mustang: Business Processes

The following business processes are in scope for integration:



E-Invoicing



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This presentation provides a global perspective of Elanco and may not be reflective of our business in individual geographies.

What is E-Invoicing

- E-Invoicing is a common name for Electronic Invoicing.
- E-Invoicing is a form of Electronic billing. It is a legal and fiscal substitute for the paper bill.
- E-invoicing is used by trading partners, such as customers and their suppliers, to present and monitor transactional documents between one another and ensure the terms of their trading agreements are being met.
- E-invoicing includes number of different technologies and entry options and is used as an umbrella term to describe any method by which an invoice is electronically presented to a customer for payment.
- Not all documents sent in electronic forms are E-Invoices. It needs to meet certain requirements, specifications and guidelines stipulated in the country of issue.

Introduction to Global E-Invoicing Regulations

- Most governments around the world are promoting electronic invoicing (e-invoicing) models to support invoice and payment processing between companies (B2B models) and between service providers and governments (B2G models). E-invoicing helps:
 - Governments exert fiscal control over transactions taking place within their countries
 - Governments and companies modernize invoice and payment approval interactions
 - Companies increase the efficiency and security of invoice and payment processes
- Governments are using e-invoicing to implement fiscal controls and maximize tax revenues

Introduction to Global E-Invoicing Regulations (Cont'd)

Many governments mandate that vendors electronically submit invoices to tax authorities for registration and validation before sending them to customers, and electronically submit payment notifications to tax authorities for approval once received. Some governments also mandate that vendors use authorized providers to issue these documents. To comply, vendors must meet several country-specific legal and technical requirements

NOTICIAS DESTACADAS

Desde el día 15-1-2015 es obligatorio que las facturas dirigidas a las administraciones públicas sean electrónicas

LEGISLACIÓN | 15/01/2015

[Recomendar](#) [Twitter](#) [Google+](#)

En virtud de la [Ley 25/2013, de 27 de diciembre](#), de impulso de la factura electrónica y creación del registro contable de facturas en el Sector Público, desde el día 15 de enero de 2015 todas las facturas remitidas a las



FATTURA PA

Fatturazione Elettronica verso la Pubblica Amministrazione

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Normativa

Principali norme di riferimento in tema di fatturazione elettronica

- Legge numero 244 del 24 dicembre 2007, disposizioni per la formazione del bilancio annuale e pluriennale dello Stato (Legge finanziaria 2008) (Gazzetta Ufficiale numero 300 del 28 dicembre 2007)

GESETZGEBUNGSVERFAHREN · 16.07.2016

Gesetz zur Umsetzung der Richtlinie 2014/55/EU über die elektronische Rechnungsstellung im öffentlichen Auftragswesen

Countries where e-Invoicing is implemented:

Italy

Turkey

Spain

Portugal

Poland

India

Vietnam

Taiwan

Bangladesh

South-Korea

China

Brazil

Colombia

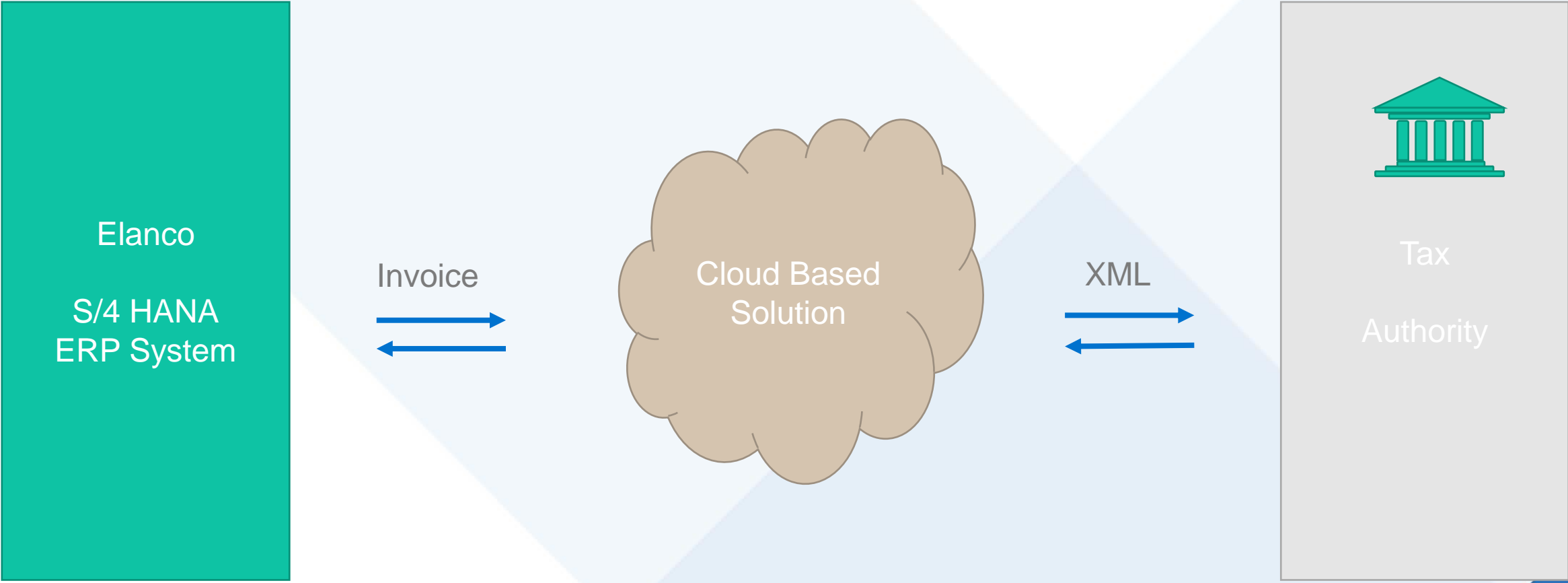
Chile

Argentina

Mexico

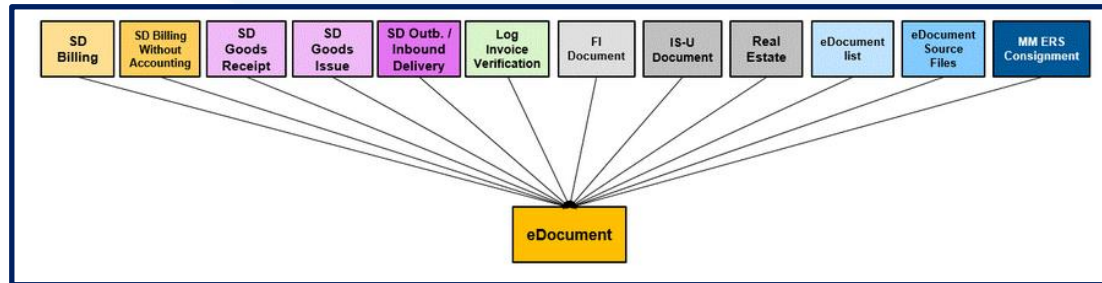
Panama

E-Invoicing – Architecture



SAP's Document Compliance Solution

- Elanco will use an SAP solution to process e-invoices in some countries.
- SAP's Document Compliance Solution allows companies to transform documents created in other SAP applications into eDocuments in predefined exchange formats and electronically transfer them to external systems (e.g., of tax authorities)
- The solution can transform multiple types of SAP documents into eDocuments:



SAP eDocuments refer to e-invoices which applies to invoices, credit notes (including rebates), debit notes, returns, and FI direct posting documents

- The solution can also transmit eDocuments to external systems and update eDocuments with information received from external systems

SAP's Document Compliance eDocument Cockpit

- The eDocument Cockpit is the primary tool within the Document Compliance solution and offers a unified user experience for monitoring and managing the eDocuments
- The Cockpit can be used to submit eDocuments to tax authorities, monitor eDocument statuses, send eDocuments via e-mail, and more as described in the next module

The screenshot displays the SAP EDocument Cockpit interface. The main window title is "EDocument Cockpit". Below the title bar, there is a menu bar with options: "Source Document", "Submit", "Status", "Export File", "Display...", "Customer...", "Goto...", "More...", "Print", and "Help". Below the menu bar, there is a toolbar with various icons for document management. The main content area is titled "Mexico eInvoice" and contains a table with the following columns: Status, Proc. Status Descr., Error, eDocument Source Key, Source Description, CoCode, Type Desc., Creation Date, and Creat. The table lists several documents with their respective statuses and creation dates.

Status	Proc. Status Descr.	Error	eDocument Source Key	Source Description	CoCode	Type Desc.	Creation Date	Creat
✖	Rejected by Tax Authorities	🔗	8000002313	Billing Document	MX01	Mexico eInvoice	2020/07/09	23:35
✖	Rejected by Tax Authorities	🔗	8000002338	Billing Document	MX01	Mexico eInvoice	2020/07/10	21:05
✔	Accepted by Tax Authorities	🔗	8000002380	Billing Document	MX01	Mexico eInvoice	2020/07/13	17:41
✖	Rejected by Tax Authorities	🔗	8000002471	Billing Document	MX01	Mexico eInvoice	2020/07/16	23:33
⚠	eDocument Created	🔗	8000002481	Billing Document	MX01	Mexico eInvoice	2020/07/17	16:51
⚠	eDocument Created	🔗	8000002482	Billing Document	MX01	Mexico eInvoice	2020/07/17	16:54
✖	Rejected by Tax Authorities	🔗	8000002479	Billing Document	MX01	Mexico eInvoice	2020/07/17	16:40
⚠	eDocument Created	🔗	9000000758	Billing Document	MX01	Mexico eInvoice	2020/07/17	19:52
✖	Sending Requested	🔗	8000002488	Billing Document	MX01	Mexico eInvoice	2020/07/17	19:56
✖	Sending Requested	🔗	8000002483	Billing Document	MX01	Mexico eInvoice	2020/07/17	16:55
✔	Accepted by Tax Authorities	🔗	8000002678	Billing Document	MX01	Mexico eInvoice	2020/07/27	23:26
✔	Accepted by Tax Authorities	🔗	MX0101300000682020	Accounting Document	MX01	Mexico eInvoice	2020/07/09	21:36
✖	Sending Requested	🔗	MX0101300000692020	Accounting Document	MX01	Mexico eInvoice	2020/07/22	22:13
✖	Sending Requested	🔗	MX0101300000702020	Accounting Document	MX01	Mexico eInvoice	2020/07/22	22:15

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Question ?

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Food and Companionship **Enriching Life**

Customer | Culture | Cause

