

# IDEXX Q3 2021 Earnings Highlights (NASDAQ: IDXX)



## Revenue

**\$810M**

Reported growth: +12%

Organic growth: +10%

### CAG Diagnostics Recurring

Organic Growth: +11%



## Operating Profit

**\$226M**

27.9% of Revenue

YoY change in basis points:

Reported +410 bps

Comparable +20 bps



## Diluted Earnings Per Share

**\$2.03**

Reported growth: +20%

Comparable growth: +12%



## CAG

Revenue **\$732M**

Reported growth: +15%

Organic growth: +13%



## Water

Revenue **\$38M**

Reported growth: +15%

Organic growth: +13%



## LPD

Revenue **\$29M**

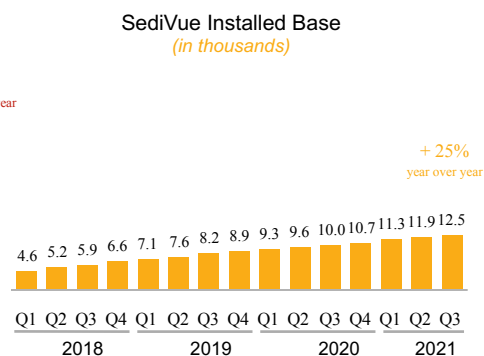
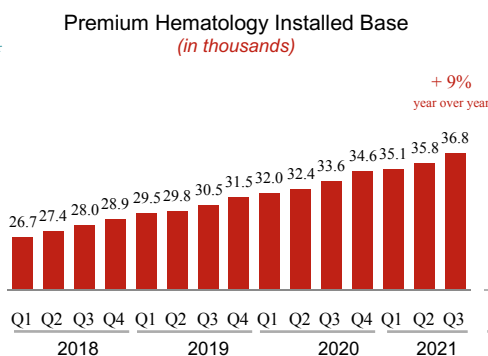
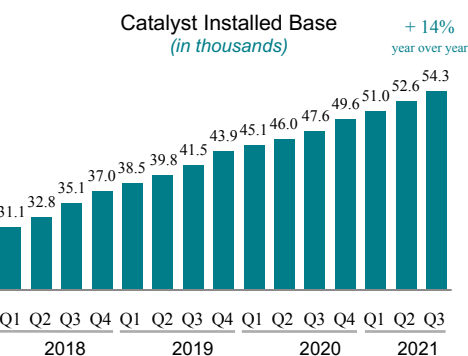
Reported growth: -21%

Organic growth: -23%

## Net CAG Revenue

	Q3 Revenue	Reported Growth year over year	Organic Growth year over year	Q3 Premium Instrument Placements	WW	North America	Intl
<b>CAG Diagnostics Recurring</b>	<b>\$638M</b>	<b>+13%</b>	<b>+11%</b>	Catalyst	2,078	792	1,286
<i>IDEXX VetLab® Consumables</i>	\$253M	+16%	+14%	<i>New and competitive</i>	1,347	344	1,003
<i>Rapid Assay Products</i>	\$77M	+9%	+9%	Premium Hematology	1,587	749	838
<i>Reference Laboratory Dx and Consulting Services</i>	\$282M	+11%	+10%	SediVue® Dx	642	417	225
<i>CAG Diagnostics Services and Accessories</i>	\$26M	+10%	+9%	<b>TOTAL</b>	<b>4,307</b>	<b>1,958</b>	<b>2,349</b>
CAG Diagnostics Capital – Instruments	\$39M	+34%	+33%				
Veterinary Software, Services and Diagnostic Imaging Systems	\$55M	+33%	+15%				

## IDEXX Premium Instruments Installed Base



For full financial data, non-GAAP reconciliations and cautionary language regarding forward-looking statements, please refer to IDEXX's 2021 third quarter earnings release issued on November 2, 2021 available at <https://www.idexx.com/investors>. Amounts presented may not recalculate due to rounding.

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## 2021 Growth and Financial Performance Outlook Commentary

- Updates outlook for full-year 2021 financial performance to reflect organic growth and operating margin improvement at the higher-end of prior guidance ranges shared in Q2 earnings.
  - Revenue estimate of \$3,185 million - \$3,200 million, an increase of \$5M at midpoint compared to prior guidance, reflecting reported revenue growth of 17.5% - 18% and organic growth of 15.5% - 16%, driven by 17% - 17.5% CAG Diagnostics recurring revenue organic growth
  - EPS estimate of \$8.30 - \$8.38, an increase of \$0.06 at midpoint compared to prior guidance, reflecting 24% - 25% growth as reported and 26% - 27% on a comparable basis

### Growth and Financial Performance Outlook

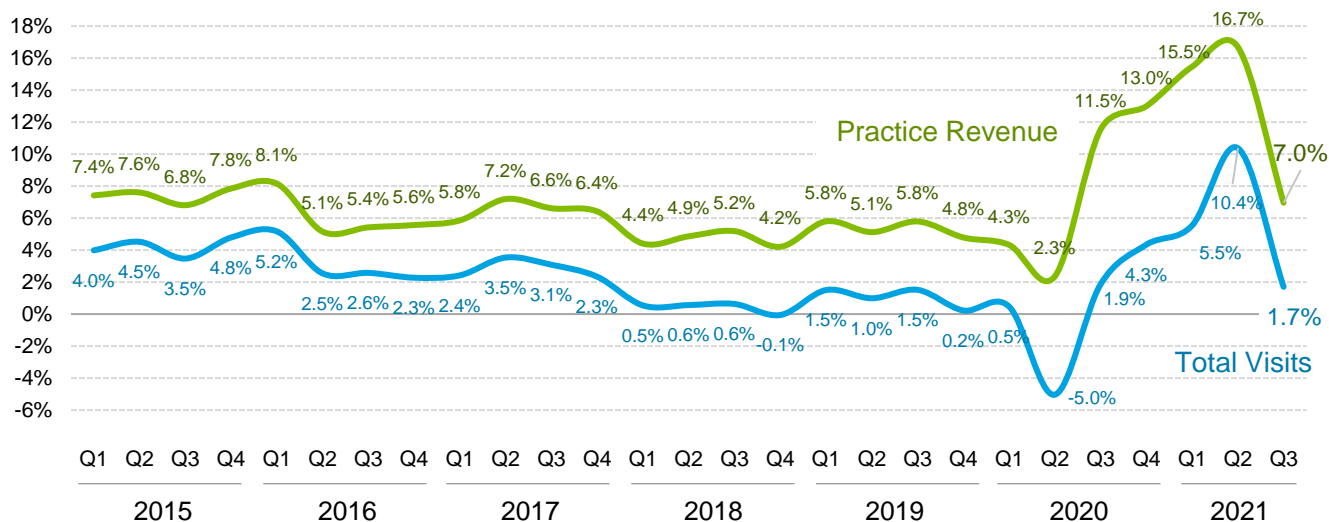
2021

	<b>Revenue</b>	<b>\$3,185 - \$3,200</b>
	<i>Reported growth</i>	17.5% - 18%
	<i>Organic growth</i>	15.5% - 16%
	<b>CAG Diagnostics Recurring Revenue Growth</b>	
	<i>Reported growth</i>	18.5% - 19.5%
	<i>Organic growth</i>	17% - 17.5%
	<b>Operating Margin</b>	<b>28.8% - 29.0%</b>
	<i>Reported margin expansion</i>	310 bps - 330 bps
	<i>Comparable margin expansion</i>	200 bps - 225 bps
	<b>EPS</b>	<b>\$8.30 - \$8.38</b>
	<i>Reported growth</i>	24% - 25%
	<i>Comparable growth</i>	26% - 27%
<b>Other Key Metrics</b>		
	<i>Net interest expense</i>	~ \$31.5
	<i>Share-based compensation tax benefit</i>	~ \$25.5
	<i>Effective tax rate</i>	~ 19%
	<i>Reduction in average shares outstanding</i>	0% - 0.2%
	<b>Operating Cash Flow</b>	100% - 110% of net income
	<b>Free Cash Flow</b>	<b>80% - 85% of net income</b>
	<b>Capital Expenditures</b>	~\$150

Amounts in millions except per share data and percentages

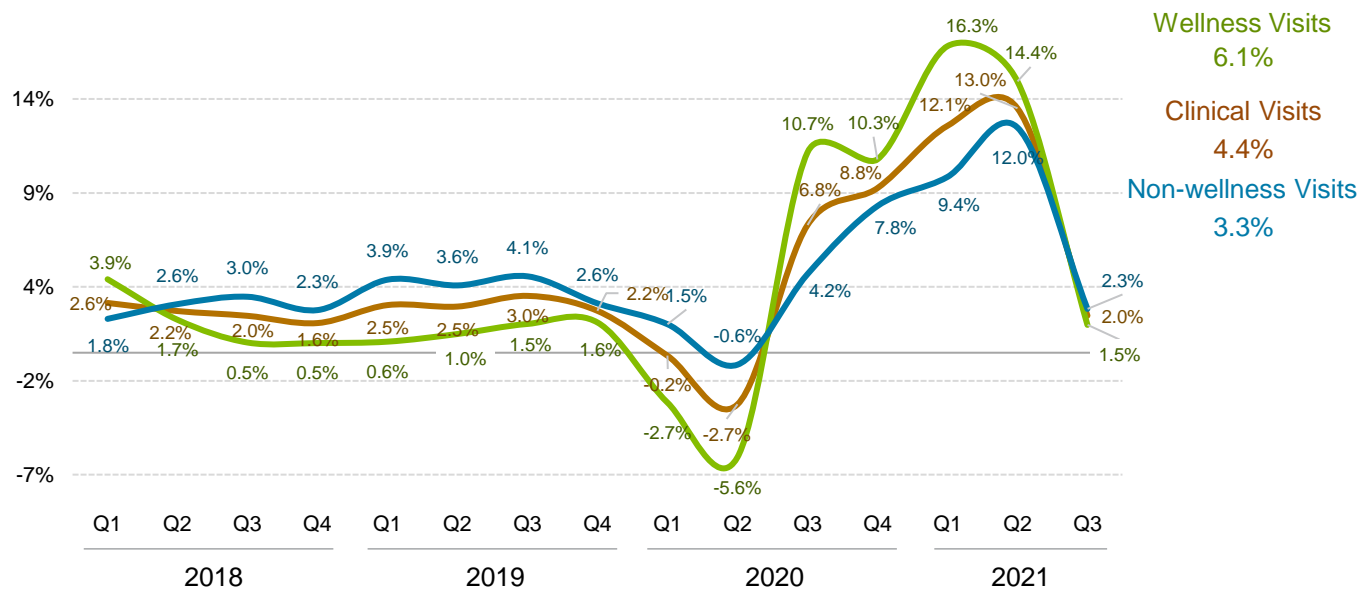
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## Total Practice Revenue and Visit Growth Weighted Average Year-over-Year % Change *Per Practice*\*



## Clinical Visit Growth

Weighted Average Year-over-Year % Change *Per Practice*\*



Q3 2020 & Q3 2021  
Average

Wellness Visits  
6.1%

Clinical Visits  
4.4%

Non-wellness Visits  
3.3%

*Total visits* include clinical and non-clinical visits. In 2020, there were an estimated 320 million U.S. total visits. Approximately 70% of estimated U.S. companion animal diagnostic sector revenue is from non-wellness visits.

*Clinical visits* are those where the reason for visit involves an interaction between a clinician and a pet.

*Non-wellness visits* include those for which the reason for visit is sickness, procedure or monitoring.

*Wellness visits* include those visits for which the reason for visit is an annual exam, vaccination, or routine check-up.

Source: Based on analysis of IDEXX Practice Intelligence data (n = 8,081 practices). Growth rate estimate with margin of error of +/- 0.4% at a 95% confidence level.  
\* Note that we estimate net new practice formation adds ~1% of incremental sector growth per year beyond *per practice* growth.