

IDEXX Q2 2023 Earnings Highlights (NASDAQ: IDXX)



Revenue

\$944M

Reported growth: +10%

Organic growth: +10%

CAG Diagnostics Recurring

Organic growth: +12%



Operating Profit

\$296M

31.4% of Revenue

YoY change in basis points:

Reported +1,060 bps

Comparable +1,130 bps



Diluted Earnings Per Share

\$2.67

Reported growth: +71%

Comparable growth: +77%



CAG

Revenue

\$867M

Reported growth: +11%

Organic growth: +11%



Water

Revenue

\$43M

Reported growth: +10%

Organic growth: +9%



LPD

Revenue

\$30M

Reported growth: 0%

Organic growth: +1%

Net CAG Revenue

Q2 Revenue

Reported Growth
year over year

Organic Growth
year over year

Q2 Premium Instrument Placements

WW

U.S.

Intl

CAG Diagnostics Recurring

\$762M

+11%

+12%



Catalyst

2,261

757

1,504

IDEXX VetLab® Consumables

\$304M

+14%

+15%

New and competitive

1,471

434

1,037

Rapid Assay Products

\$97M

+11%

+12%

Second

484

322

162

Reference Laboratory Dx and Consulting Services

\$330M

+9%

+9%



Premium Hematology

1,863

594

1,269

CAG Diagnostics Services and Accessories

\$31M

+13%

+14%

New and competitive

1,335

439

896

CAG Diagnostics Capital – Instruments

\$34M

-6%

-6%



SediVue® Dx

616

308

308

Veterinary Software, Services and Diagnostic Imaging Systems

\$70M

+12%

+13%

TOTAL

4,740

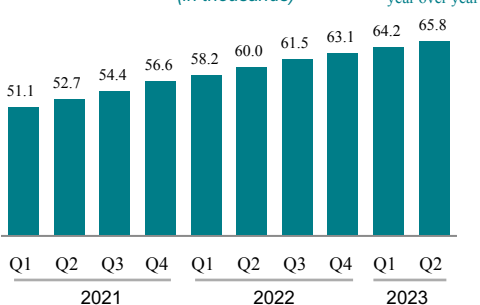
1,659

3,081

IDEXX Premium Instruments Installed Base

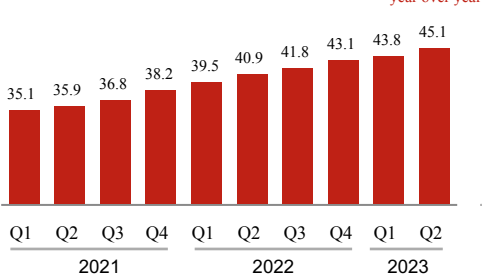
Catalyst Installed Base
(in thousands)

10%
year over year



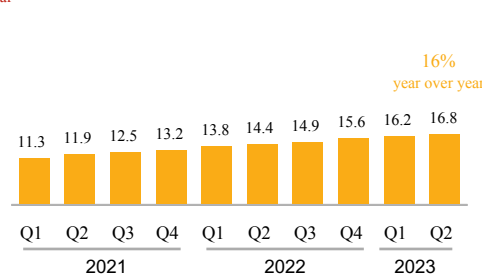
Premium Hematology Installed Base
(in thousands)

10%
year over year



SediVue Installed Base
(in thousands)

16%
year over year



For full financial data, non-GAAP reconciliations and cautionary language regarding forward-looking statements, please refer to IDEXX's 2023 second quarter earnings release issued on August 1, 2023 available at <https://www.idexx.com/investors>. Amounts presented may not recalculate due to rounding.




IDEXX Q2 2023 Earnings Highlights (NASDAQ: IDXX)

2023 Growth and Financial Performance Outlook Commentary

- Updates 2023 estimates to reflect solid first half results, consistent expectations for solid second half growth and updated foreign exchange rate impact estimates
 - Increases revenue guidance to \$3,660 million - \$3,715 million, reflecting 8.5% - 10% growth as reported and organically, driven by projected CAG Diagnostics recurring revenue growth of 10% - 11% as reported and organically
 - Raises EPS outlook to \$9.64 - \$9.90, a year-over-year increase of 20% - 23% as reported and 24% - 27% on a comparable basis, including ~12% combined growth benefit from a customer contract resolution payment in Q1 2023 and lapping of discrete 2022 R&D investments

Growth and Financial Performance Outlook

2023

	Revenue	\$3,660 - \$3,715
	<i>Reported growth</i>	8.5% - 10%
	<i>Organic growth</i>	8.5% - 10%
	CAG Diagnostics Recurring Revenue Growth	
	<i>Reported growth</i>	10% - 11%
	<i>Organic growth</i>	10% - 11%
	Operating Margin	29.3% - 29.7%
	<i>Reported margin expansion</i>	270 bps - 300 bps
	<i>Negative impact of foreign exchange</i>	~ 60 bps
	<i>Comparable margin expansion</i>	330 bps - 360 bps
	<i>Positive impact of 2022 discrete R&D investments and customer contract resolution payment</i>	~ 280 bps
	EPS	\$9.64 - \$9.90
	<i>Reported growth</i>	20% - 23%
	<i>Comparable growth</i>	24% - 27%
	<i>Positive impact of 2022 discrete R&D investments and customer contract resolution payment</i>	12 %
	Other Key Metrics	
	<i>Net interest expense</i>	~ \$40
	<i>Share-based compensation tax benefit</i>	~ \$9
	<i>Effective tax rate</i>	21.5% - 22%
	<i>Reduction in average shares outstanding</i>	0.5 % - 1.0%
	Operating Cash Flow	100% - 110% of net income
	Free Cash Flow	80% - 90% of net income
	Capital Expenditures	~ \$180

Amounts in millions except per share data and percentages

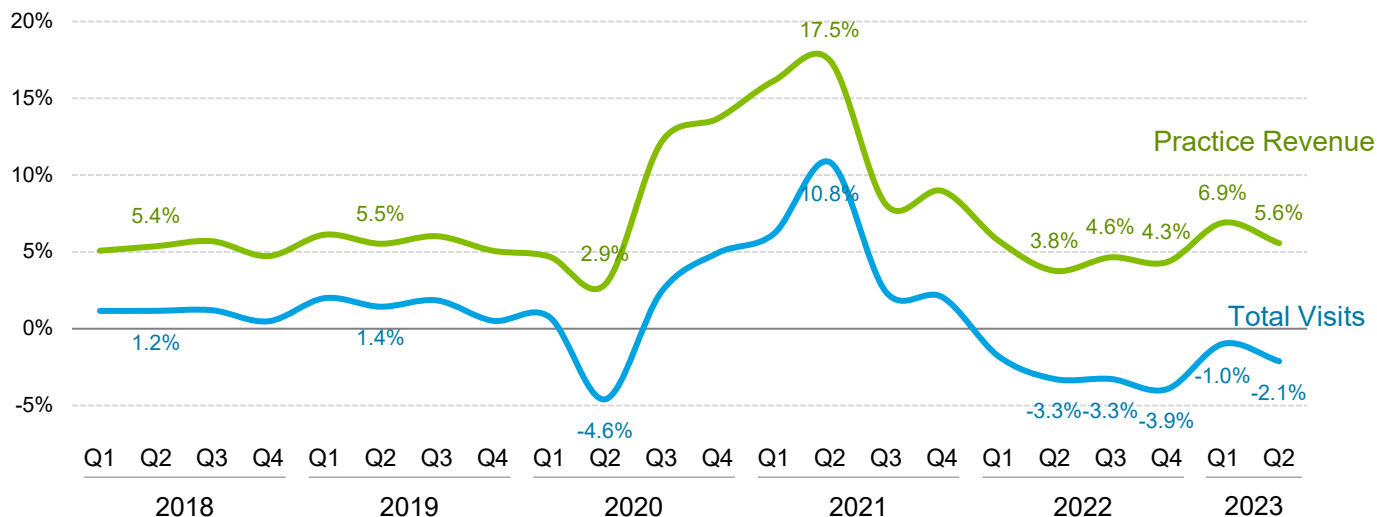
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U.S. Companion Animal Practice Growth Update

As of June 30, 2023

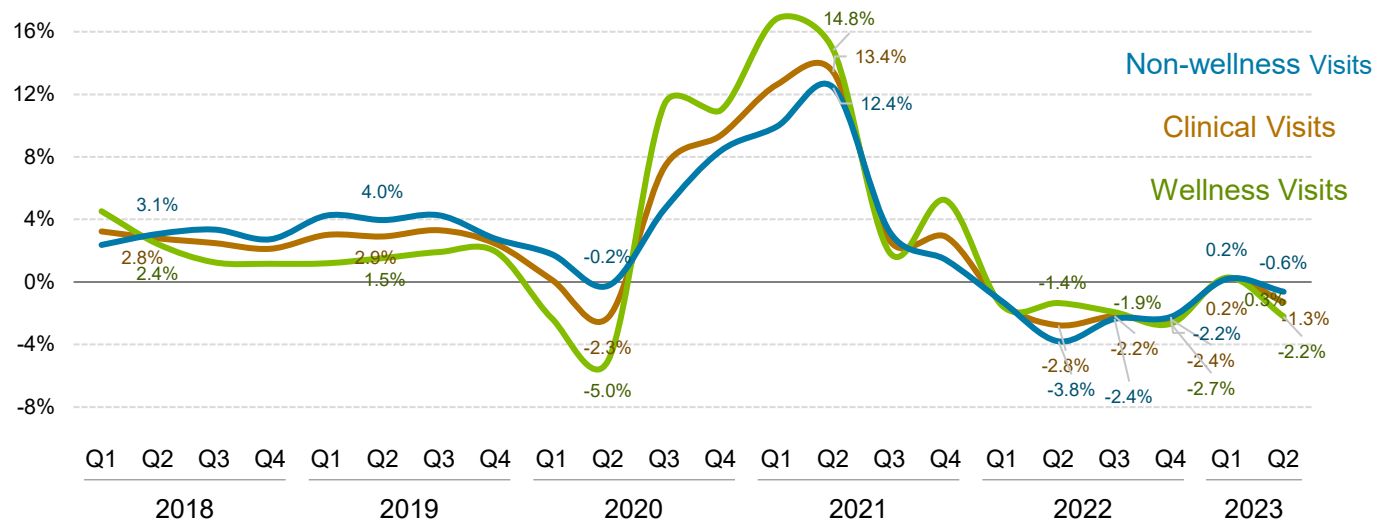
Total Practice Revenue and Visit Growth

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



Clinical Visit Growth

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



Total visits include clinical and non-clinical visits. In 2022, there were an estimated ~340 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.

* Note that we estimate net new practice formation adds ~1% of incremental market growth per year beyond *per practice* growth.

** Growth rate estimate with margin of error of +/- 0.4% at a 95% confidence level.

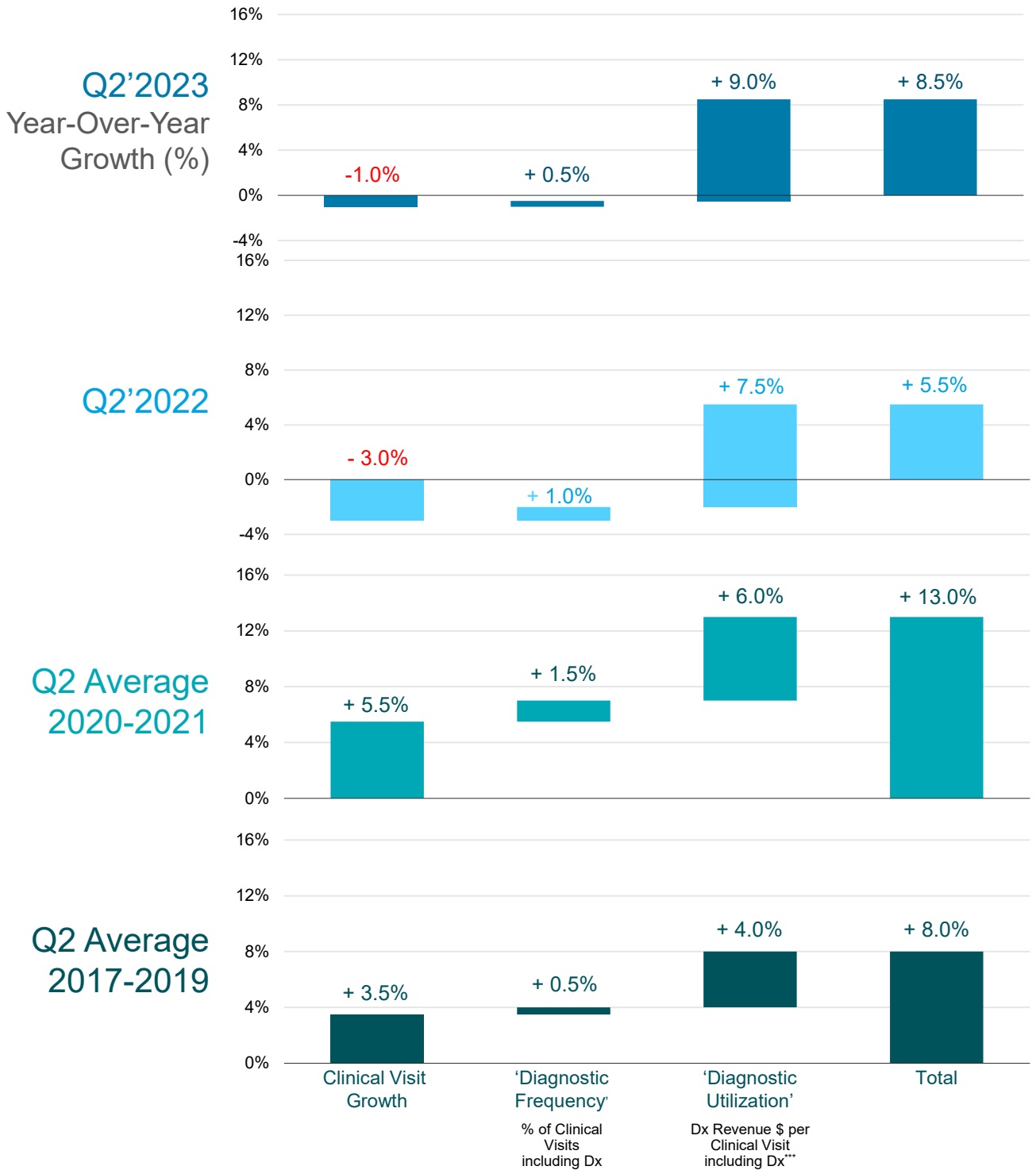
Source: IDEXX Practice Intelligence data; sample of ~8,800 practices representing six different practice information management systems, weighted to represent the country based on practice size and region.

U.S. Companion Animal Practice Growth Update

As of June 30, 2023



Contributors to U.S. Companion Animal Diagnostic Revenue Growth per Practice**



** Rounded to nearest 50 bps.

*** Diagnostic revenue per clinical visit includes volume/ intensity of Dx activity and net price realization.

Source: IDEXX Practice Intelligence data; sample of ~8,800 practices representing six different practice information management systems, weighted based on practice size and region to reflect market composition.