

IDEXX Q3 2023 Earnings Highlights (NASDAQ: IDXX)



Revenue

\$916M

Reported growth: +9%

Organic growth: +8%

CAG Diagnostics Recurring

Organic growth: +9%



Operating Profit

\$275M

30.1% of Revenue

YoY change in basis points:

Reported +100 bps

Comparable +140 bps



Diluted Earnings Per Share

\$2.53

Reported growth: +18%

Comparable growth: +16%



CAG

Revenue **\$837M**

Reported growth: +9%

Organic growth: +8%



Water

Revenue **\$44M**

Reported growth: +9%

Organic growth: +7%



LPD

Revenue **\$30M**

Reported growth: +5%

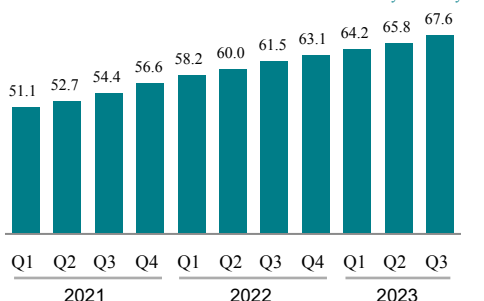
Organic growth: +2%

Net CAG Revenue	Q3 Revenue	Reported Growth year over year	Organic Growth year over year	Q3 Premium Instrument Placements	WW	U.S.	Intl
CAG Diagnostics Recurring	\$734M	+10%	+9%	Catalyst	2,147	693	1,454
<i>IDEXX VetLab® Consumables</i>	\$296M	+13%	+11%	<i>New and competitive</i>	1,375	354	1,021
<i>Rapid Assay Products</i>	\$88M	+9%	+8%	<i>Second</i>	483	332	151
<i>Reference Laboratory Dx and Consulting Services</i>	\$320M	+8%	+7%	Premium Hematology	1,798	522	1,276
<i>CAG Diagnostics Services and Accessories</i>	\$30M	+6%	+5%	<i>New and competitive</i>	1,280	359	921
CAG Diagnostics Capital – Instruments	\$32M	-8%	-10%	SediVue® Dx	626	305	321
Veterinary Software, Services and Diagnostic Imaging Systems	\$71M	+14%	+13%	TOTAL	4,571	1,520	3,051

IDEXX Premium Instruments Installed Base

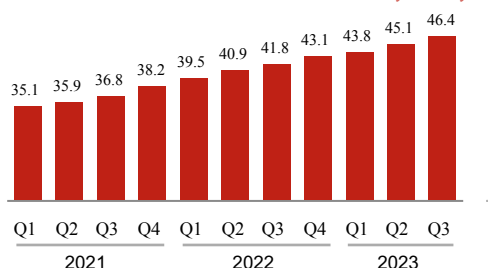
Catalyst Installed Base
(in thousands)

10%
year over year



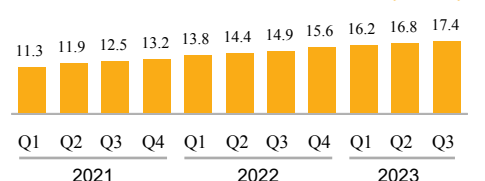
Premium Hematology Installed Base
(in thousands)

11%
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 third quarter earnings release issued on November 1, 2023 available at <https://www.idexx.com/investors>. Amounts presented may not recalculate due to rounding.




IDEXX Q3 2023 Earnings Highlights (NASDAQ: IDXX)

2023 Growth and Financial Performance Outlook Commentary

- Updates 2023 estimates, incorporating strong Q3 financial results and recent US clinical visit trends
 - Adjusts revenue guidance to \$3,635 million - \$3,650 million, reflecting 7.9% - 8.4% growth as reported and 8.3% - 8.8% organically, driven by projected CAG Diagnostics recurring revenue growth of 9.4% - 9.9% as reported and 9.8% - 10.3% organically
 - Updates EPS outlook to \$9.74 - \$9.90, a year-over-year increase of 21% - 23% as reported and 25% - 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	\$3,635	-	\$3,650
	<i>Reported growth</i>	7.9%	-	8.4%
	<i>Organic growth</i>	8.3%	-	8.8%
	CAG Diagnostics Recurring Revenue Growth			
	<i>Reported growth</i>	9.4%	-	9.9%
	<i>Organic growth</i>	9.8%	-	10.3%
	Operating Margin	29.6%	-	29.8%
	<i>Reported margin expansion</i>	290 bps	-	310 bps
	<i>Negative impact of foreign exchange</i>			<i>~ 70 bps</i>
	<i>Comparable margin expansion</i>	360 bps	-	380 bps
	<i>Positive impact of 2022 discrete R&D investments and customer contract resolution payment</i>			<i>~ 280 bps</i>
	EPS	\$9.74	-	\$9.90
	<i>Reported growth</i>	21%	-	23%
	<i>Comparable growth</i>	25%	-	27%
	<i>Positive impact of 2022 discrete R&D investments and customer contract resolution payment</i>			<i>~ 12 %</i>
Other Key Metrics				
	<i>Net interest expense</i>			<i>~ \$37</i>
	<i>Share-based compensation tax benefit</i>			<i>~ \$12</i>
	<i>Effective tax rate</i>	21%	-	21.5%
	<i>Reduction in average shares outstanding</i>	0.5 %	-	1%
	Operating Cash Flow	100% - 110% of net income		
	Free Cash Flow	85% - 90% of net income		
	Capital Expenditures	\$160 - \$180		

Amounts in millions except per share data and percentages

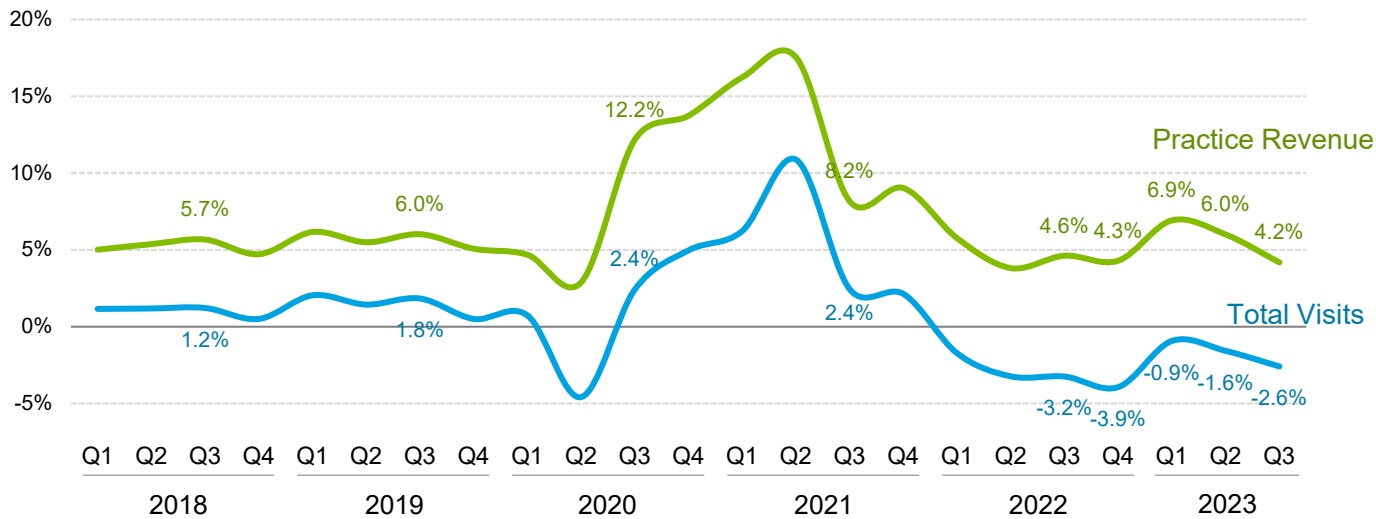
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U.S. Companion Animal Practice Growth Update

As of September 30, 2023

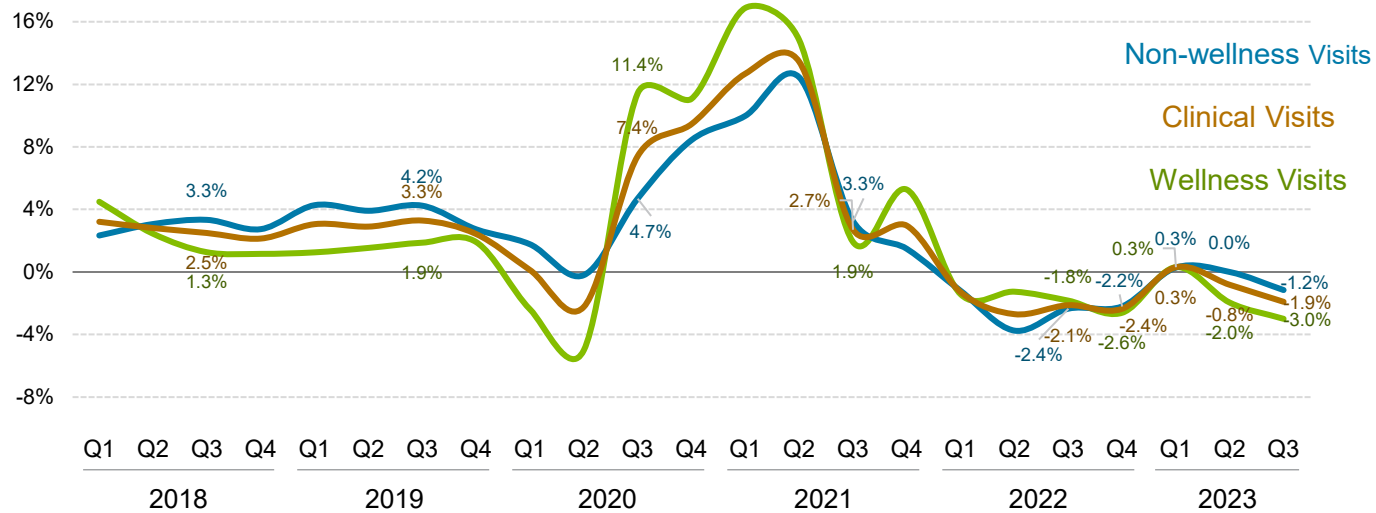
Total Practice Revenue and Visit Growth

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.

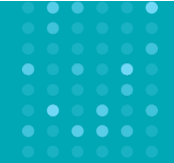
* Note that we estimate net new practice formation adds ~1% of incremental market growth per year beyond *per practice* growth.

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

Source: IDEXX Practice Intelligence data; sample of ~8,600 practices representing six different practice information management systems, weighted to represent the country based on practice size and region.

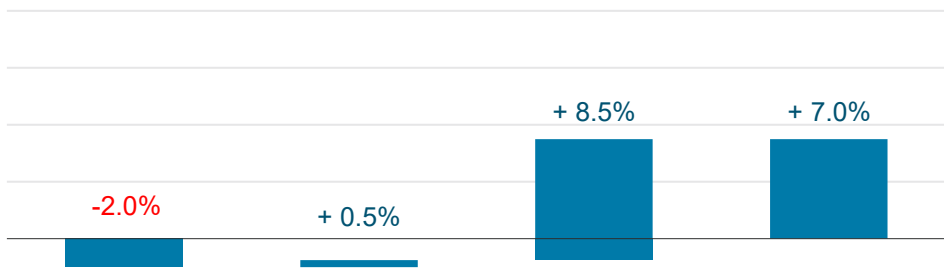
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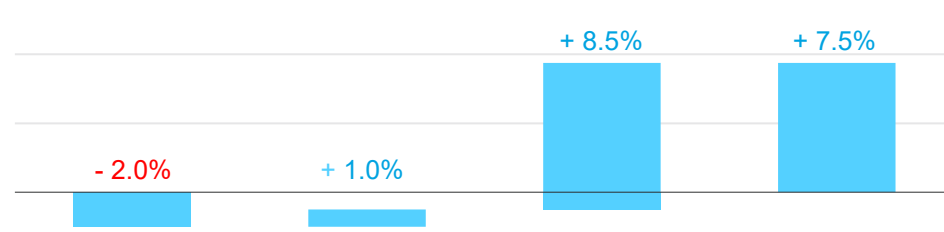


Contributors to U.S. Companion Animal Diagnostic Revenue Growth per Practice**

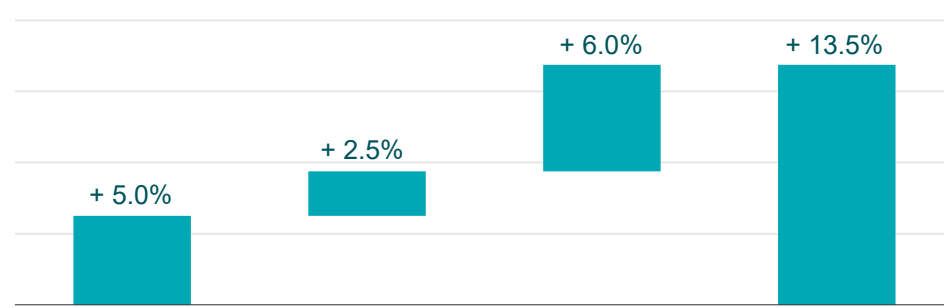
Q3'2023
Year-Over-Year
Growth (%)



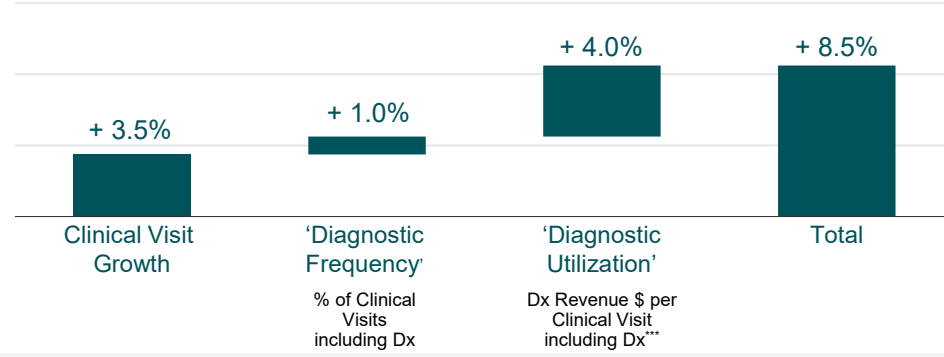
Q3'2022



Q3 Average
2020-2021



Q3 Average
2017-2019



** 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 ~8,600 practices representing six different practice information management systems, weighted based on practice size and region to reflect market composition.