

# IDEXX Q1 2021 Earnings Highlights (NASDAQ: IDXX)



## Revenue

**\$778M**

Reported growth: +24%

Organic growth: +21%

### CAG Diagnostics Recurring

Organic Growth: +23%



## Operating Profit

**\$248M**

31.8% of Revenue

YoY change in basis points:

Reported +880 bps

Comparable +830 bps



## Diluted Earnings Per Share

**\$2.35**

Reported growth: +82%

Comparable growth: +73%



## CAG

Revenue **\$693M**

Reported growth: +26%

Organic growth: +22%



## Water

Revenue **\$34M**

Reported growth: 0%

Organic growth: -3%



## LPD

Revenue **\$39M**

Reported growth: +15%

Organic growth: +9%

## Net CAG Revenue

Q1 Revenue

Reported Growth  
year over year

Organic Growth  
year over year

Q1 Premium Instrument  
Placements

WW

North  
America

Intl

### CAG Diagnostics Recurring

**\$617M**

**+27%**

**+23%**



Catalyst

1,731

665

1,066

*IDEXX VetLab® Consumables*

**\$246M**

**+30%**

**+26%**

*New and competitive*

1,107

302

805

*Rapid Assay Products*

**\$70M**

**+21%**

**+20%**



Premium Hematology

956

382

574

*Reference Laboratory Dx and Consulting Services*

**\$276M**

**+25%**

**+22%**



SediVue® Dx

577

324

253

*CAG Diagnostics Services and Accessories*

**\$26M**

**+20%**

**+16%**

**TOTAL**

**3,264**

**1,371**

**1,893**

CAG Diagnostics Capital – Instruments

**\$31M**

**+31%**

**+27%**

Veterinary Software, Services and Diagnostic Imaging Systems

**\$44M**

**+10%**

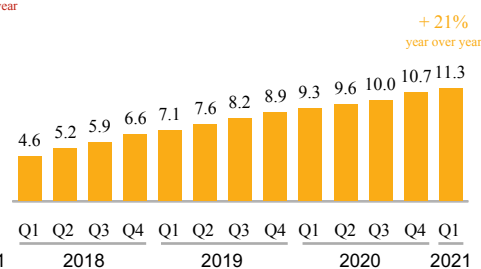
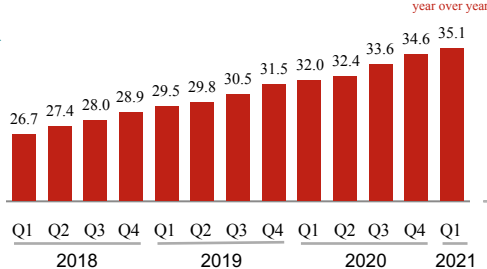
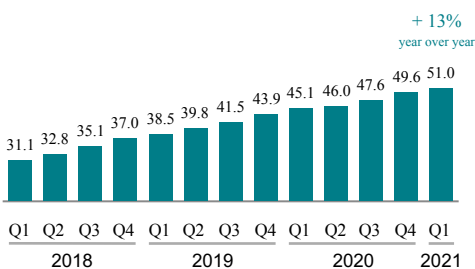
**+9%**

## IDEXX Premium Instruments Installed Base

Catalyst Installed Base  
(in thousands)

Premium Hematology Installed Base  
(in thousands)

SediVue Installed Base  
(in thousands)






For full financial data, non-GAAP reconciliations and cautionary language regarding forward-looking statements, please refer to IDEXX's 2021 first quarter earnings release issued on May 4, 2021 available at <https://www.idexx.com/investors>. Amounts presented may not recalculate due to rounding.

# IDEXX Q1 2021 Earnings Highlights (NASDAQ: IDXX)

## 2021 Growth and Financial Performance Outlook Commentary

- Increases outlook for 2021 revenue to \$3,105 million - \$3,160 million, reflecting projected reported revenue growth of 14.5% - 16.5% and organic revenue growth of 13% - 15%, driven by 14.5% - 16% CAG Diagnostics recurring revenue organic growth.
- Raises 2021 EPS estimate to \$7.88 - \$8.18, reflecting a targeted operating margin improvement of 270 - 320 basis points as reported and 150 - 200 basis points on a comparable basis. The updated EPS outlook reflects annual EPS growth of 17% - 22% as reported and 21% - 26% on a comparable basis.

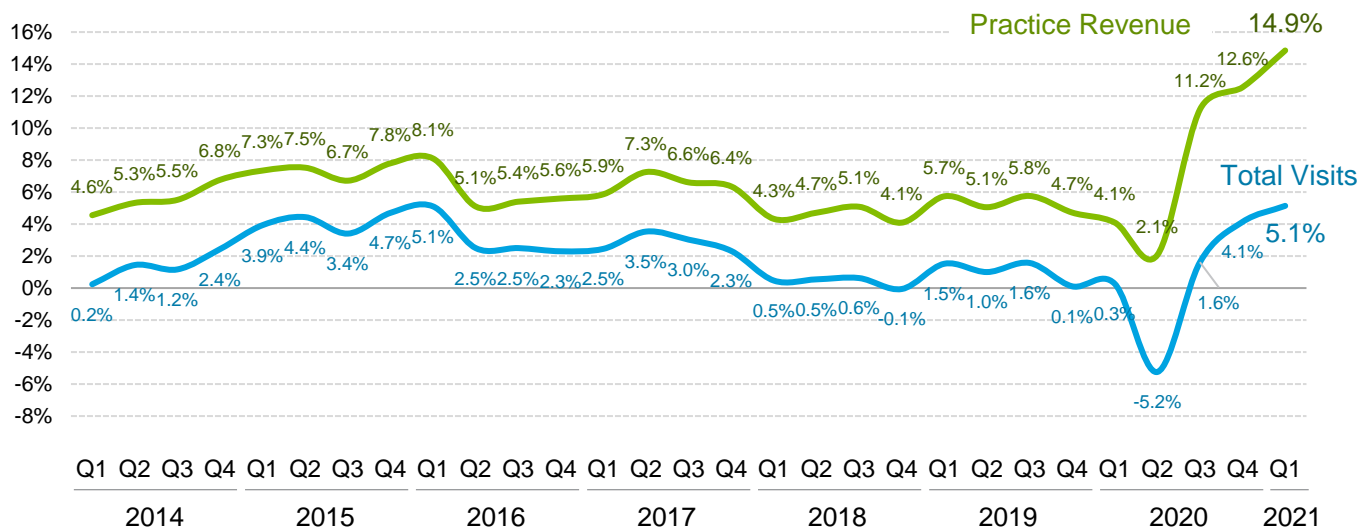
Growth and Financial Performance Outlook		2021	
	<b>Revenue</b>	<b>\$3,105</b>	<b>- \$3,160</b>
	<i>Reported growth</i>	14.5%	- 17%
	<i>Organic growth</i>	13%	- 15%
	CAG Diagnostics Recurring Revenue Growth		
	<i>Reported growth</i>	16%	- 17.5%
	<i>Organic growth</i>	14.5%	- 16%
	<b>Operating Margin</b>	<b>28.3%</b>	<b>- 28.8%</b>
	<i>Reported margin expansion</i>	270 bps	- 320 bps
	<i>Comparable margin expansion</i>	150 bps	- 200 bps
	<b>EPS</b>	<b>\$7.88</b>	<b>- \$8.18</b>
	<i>Reported growth</i>	17%	- 22%
	<i>Comparable growth</i>	21%	- 26%
<b>Other Key Metrics</b>			
	<i>Net interest expense</i>	\$30	- \$31
	<i>Share-based compensation tax benefit</i>		~ \$16.5
	<i>Effective tax rate</i>	19%	- 20%
	<i>Reduction in average shares outstanding</i>	0%	- 0.5%
	Operating Cash Flow	100% - 110% of net income	
	<b>Free Cash Flow</b>	<b>80% - 90% of net income</b>	
	Capital Expenditures	\$120 - \$140	

Amounts in millions except per share data and percentages

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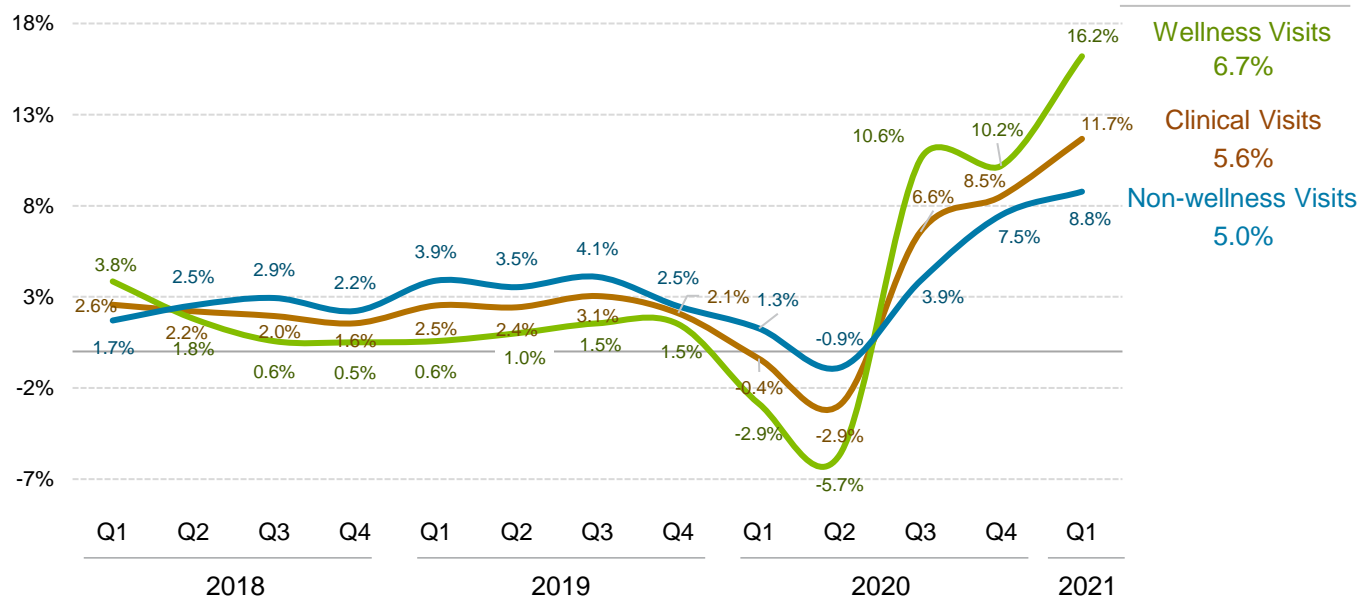
# U.S. Companion Animal Practice Growth Update

## 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 2020, there were an estimated 320 million U.S. total visits. Approximately 70% of estimated U.S. companion animal diagnostic market 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 = 7,915 practices). Growth rate estimate with margin of error of +/- 0.4% at a 95% confidence level.

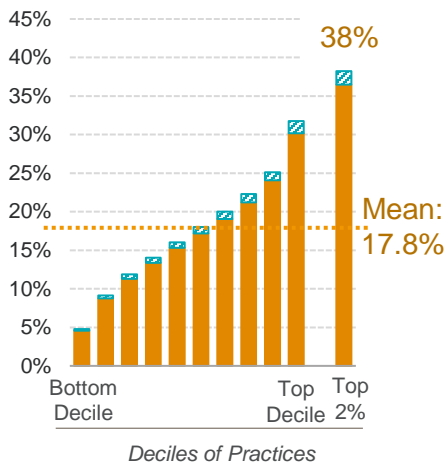
\* Note that we estimate net new practice formation adds ~1% of incremental market growth per year beyond *per practice* growth.

# U.S. Diagnostic Utilization Trends

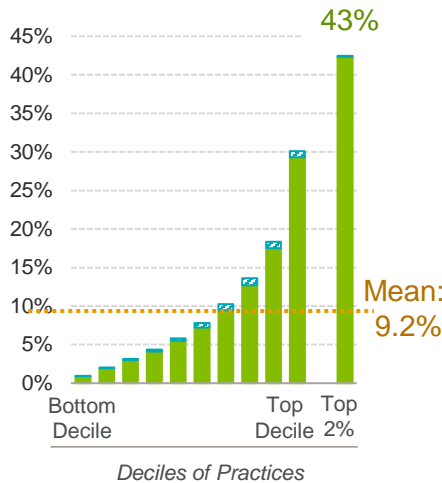
## 2020 Clinical Visits Including Bloodwork

'Bloodwork' represents chemistry and/ or hematology

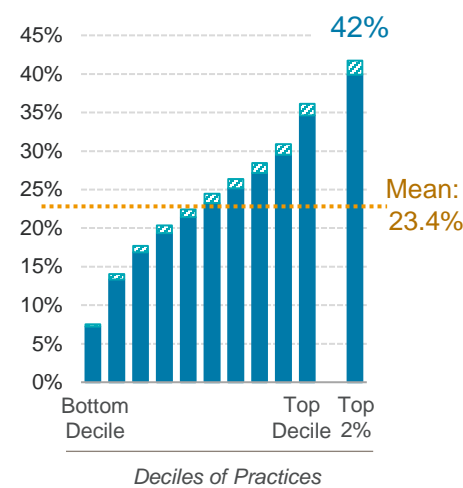
% of 2020 Clinical Visits including Bloodwork



% of 2020 Wellness Clinical Visits including Bloodwork



% of 2020 Non-wellness Clinical Visits including Bloodwork



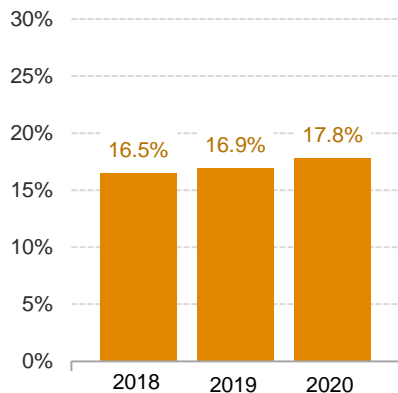
**Bloodwork utilization** is defined as chemistry, hematology, or both run on one patient in a clinical visit.

The **percentage of clinical visits including bloodwork increased ~1% in 2020**, which is double the rate of annual increases seen in recent years, with year-over-year utilization increases across deciles as highlighted by the light blue pattern-filled areas in the bar chart.

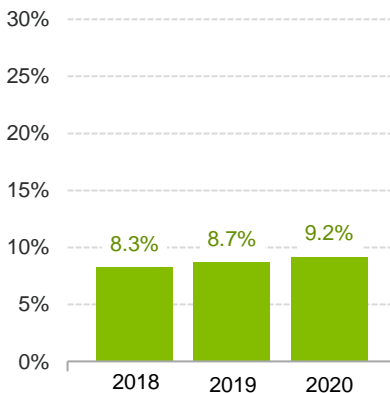
## Annual Trending of Clinical Visits Including Bloodwork

'Bloodwork' represents chemistry and/ or hematology

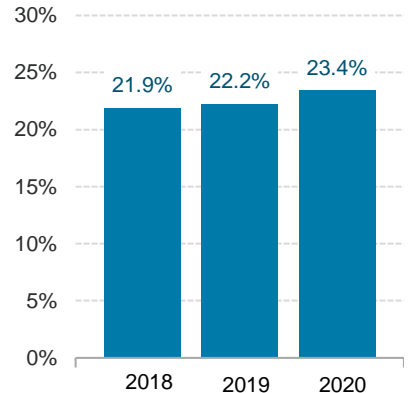
% of U.S. Clinical Visits including Bloodwork



% of U.S. Wellness Clinical Visits including Bloodwork



% of U.S. Non-wellness Clinical Visits including Bloodwork



Source: Based on analysis of IDEXX Practice Intelligence data (n = 7,804 practices). 'Clinical visits' are those where the reason for visit involves an interaction between a veterinary clinician and a pet, including wellness and non-wellness visit types. 'Bloodwork' represents chemistry and/ or hematology.