

# IDEXX Q4 & Full Year 2023 Earnings Highlights (NASDAQ: IDXX)



## Revenue



## Operating Profit



## Diluted Earnings Per Share

<b>Q4</b>	<b>\$902M</b>		<b>\$245M</b>		<b>\$2.32</b>	
Reported growth:	+9%		27% of Revenue		Reported growth:	+13%
Organic growth:	+8%				Comparable growth:	+17%
			<i>YoY change in basis points:</i>			
<b>CAG Diagnostics Recurring</b>			Reported	-10		
Organic Growth:	+10%		Comparable	+60		

<b>2023</b>	<b>\$3,661M</b>		<b>\$1,097M</b>		<b>\$10.06</b>	
Reported growth:	+9%		30% of Revenue		Reported growth:	+25%
Organic growth:	+9%				Comparable growth:	+29%
			<i>YoY change in basis points:</i>			
<b>CAG Diagnostics Recurring</b>			Reported	+330		
Organic Growth:	+10.5%		Comparable	+390		



## CAG



## Water

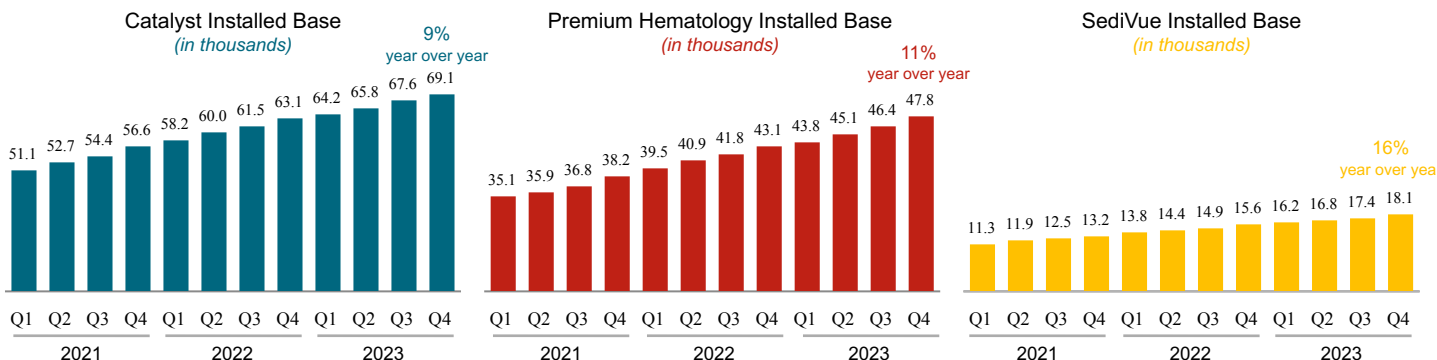


## LPD

<b>Q4 Revenue</b>	<b>\$821M</b>	<b>Q4 Revenue</b>	<b>\$42M</b>	<b>Q4 Revenue</b>	<b>\$33M</b>
Reported growth:	+ 10%	Reported growth:	+ 6%	Reported growth:	(2%)
Organic growth:	+ 9%	Organic growth:	+ 5%	Organic growth:	(4%)

Net CAG Revenue	Q4 Revenue	Reported Growth year over year	Organic Growth year over year	Q4 Premium Instrument Placements	WW	U.S.	Intl	
								<b>CAG Diagnostics Recurring</b>
<i>IDEXX VetLab® Consumables</i>	\$297M	+14%	+13%		<i>New and competitive</i>	1,469	377	1,092
<i>Rapid Assay Products</i>	\$78M	+9%	+9%		<i>Second</i>	590	400	190
<i>Reference Laboratory Dx and Consulting Services</i>	\$305M	+8%	+7%		Premium Hematology	2,205	694	1,511
<i>CAG Diagnostics Services and Accessories</i>	\$32M	+18%	+17%		<i>New and competitive</i>	1,440	398	1,042
CAG Diagnostics Capital – Instruments	\$38M	-2%	-3%		SediVue® Dx	845	353	492
Veterinary Software, Services and Diagnostic Imaging Systems	\$71M	+6%	+6%		<b>TOTAL</b>	<b>5,241</b>	<b>1,834</b>	<b>3,407</b>
<i>Recurring Revenue</i>	\$55M	+12%	+12%					
<i>Systems and hardware</i>	\$16M	-10%	-10%					

## IDEXX Premium Instruments Installed Base






# IDEXX Q4 & Full Year 2023 Earnings Highlights (NASDAQ: IDXX)

## 2024 Growth and Financial Performance Outlook Commentary

- Provides initial outlook for 2024 revenue of \$3,930 million - \$4,040 million, reflecting reported revenue growth of 7.5% - 10.5% and organic growth of 7% - 10%, driven by 7.5% - 10.5% CAG Diagnostics recurring revenue reported and organic growth.
- Estimates 2024 EPS of \$10.84 - \$11.33, reflecting growth of 8% - 13% as reported and on a comparable basis including ~ 2% negative impact from lapping 2023 customer contract resolution.
- Profit outlook reflects 20 - 70 basis points of comparable operating margin expansion including ~ 40 basis point negative impact from lapping 2023 customer contract resolution.

## Growth and Financial Performance Outlook

**2024**

	<b>Revenue</b>	<b>\$3,930</b>	-	<b>\$4,040</b>
	<i>Reported growth</i>	7.5%	-	10.5%
	<i>Organic growth</i>	7%	-	10%
	<b>CAG Diagnostics Recurring Revenue Growth</b>			
	<i>Reported growth</i>	7.5%	-	10.5%
	<i>Organic growth</i>	7.5%	-	10.5%
	<b>Operating Margin</b>	<b>30.2%</b>	-	<b>30.7%</b>
	<b>Reported margin expansion</b>	20 bps	-	70 bps
	<b>Comparable margin expansion</b>	20 bps	-	70 bps
	<i>Negative impact of 2023 customer contract resolution payment</i>			<b>~ 40 bps</b>
	<b>EPS</b>	<b>\$10.84</b>	-	<b>\$11.33</b>
	<b>Reported growth</b>	8%	-	13%
	<b>Comparable growth</b>	8%	-	13%
	<i>Negative impact of 2023 customer contract resolution payment</i>			<b>~ 2%</b>
<b>Other Key Metrics</b>				
	<i>Net interest expense</i>			~ \$27
	<i>Share-based compensation tax benefit</i>			~ \$8
	<i>Effective tax rate</i>			~ 22%
	<i>Reduction of average shares outstanding</i>	0.5%	-	1%
	<b>Operating Cash Flow</b>	<b>110% - 115% of net income</b>		
	<b>Free Cash Flow</b>	<b>90% - 95% of net income</b>		
	<b>Capital Expenditures</b>	<b>~ \$180 million</b>		

Amounts in millions except per share data and percentages

For full financial data, non-GAAP reconciliations and cautionary language regarding forward-looking statements, please refer to IDEXX's 2023 fourth quarter earnings release issued on February 5, 2024 available at <https://www.idexx.com/investors>. Amounts presented may not recalculate due to rounding.

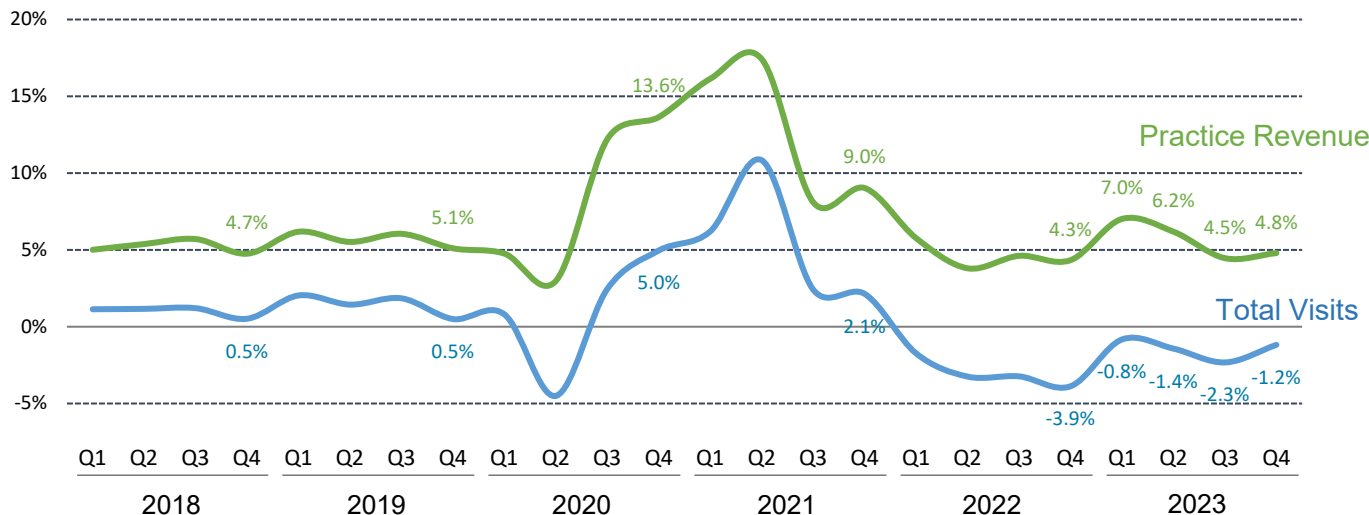
# U.S. Companion Animal Practice Growth Update

As of December 31, 2023



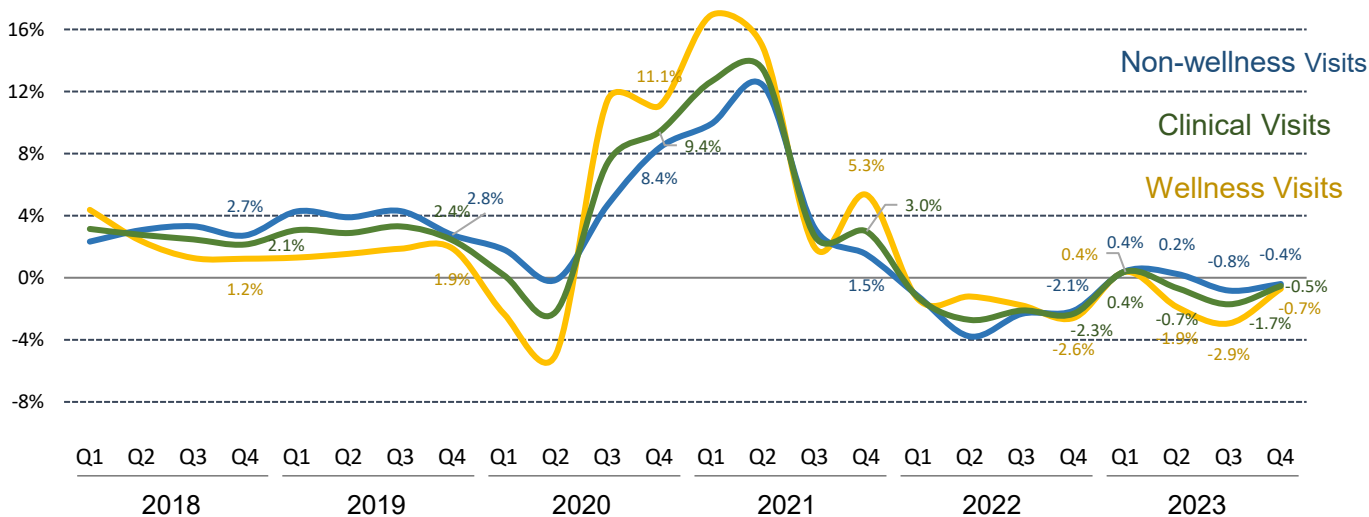
## Total Practice Revenue and Visit Growth

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 2023, there were an estimated ~335 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 ~8,500 practices representing six different practice information management systems, weighted to represent the country based on practice size and region.

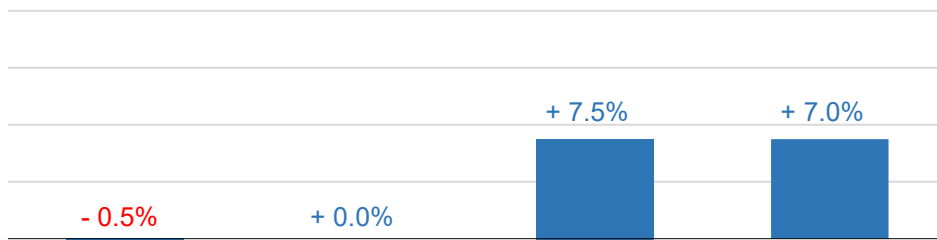
# U.S. Companion Animal Practice Growth Update

+++++

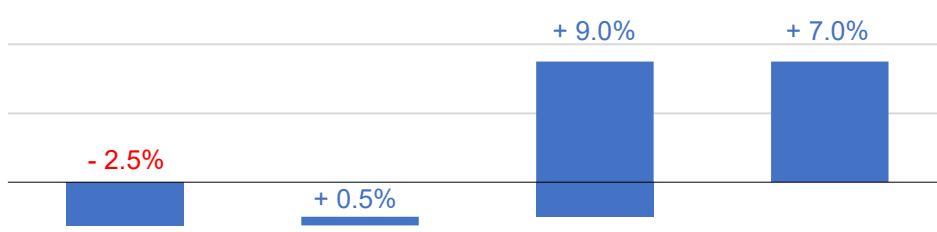
As of December 31, 2023

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

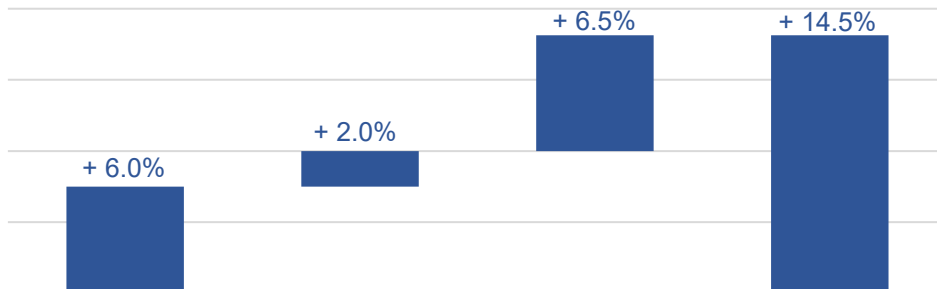
Q4'2023  
Year-Over-Year  
Growth (%)



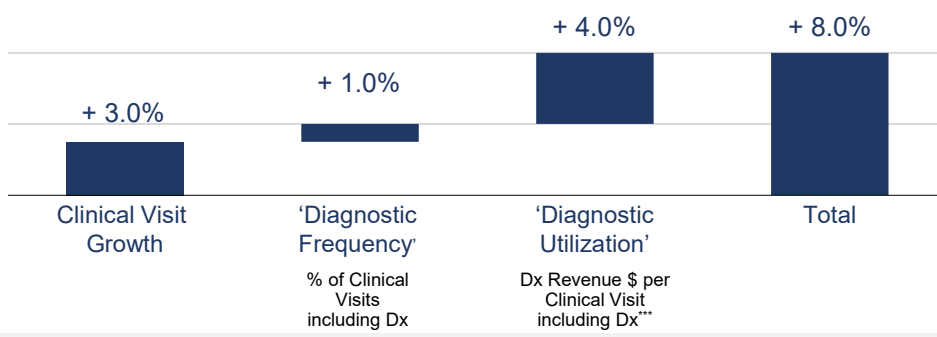
Q4'2022



Q4 Average  
2020-2021



Q4 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 ~8,500 practices representing six different practice information management systems, weighted based on practice size and region to reflect market composition.



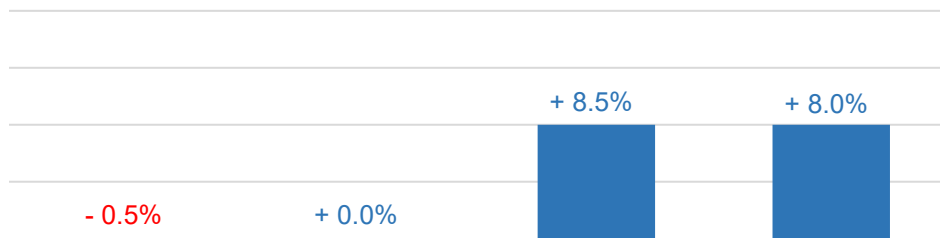
# U.S. Companion Animal Practice Growth Update



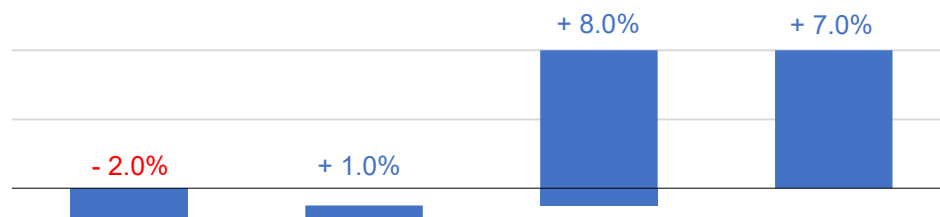
As of December 31, 2023

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

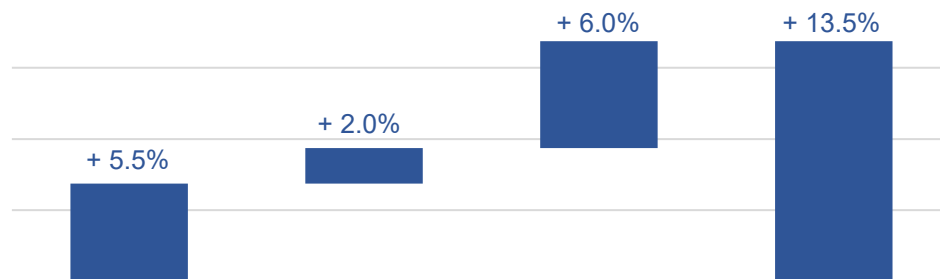
FY'2023  
Year-Over-Year  
Growth (%)



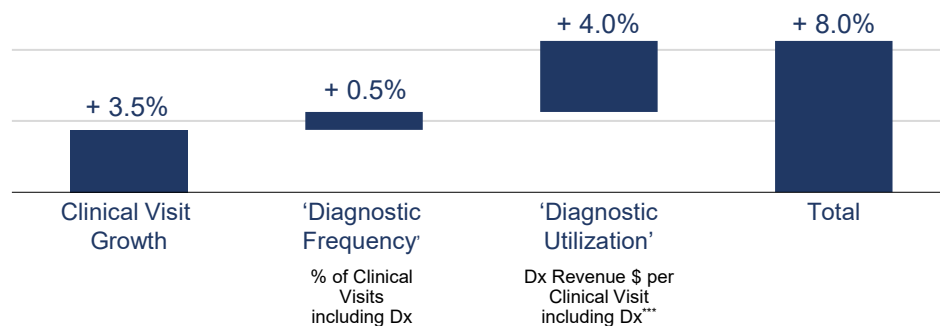
FY'2022



FY Average  
2020-2021



FY 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 ~8,500 practices representing six different practice information management systems, weighted based on practice size and region to reflect market composition.