

IDEXX Q3 2018 Earnings Highlights (NASDAQ: IDXX)



Revenue



Operating Profit



Diluted Earnings Per Share (EPS)

Q3 2018 **\$545M** **\$117M** **\$1.05**

Reported growth: + 11%

21.5% of Revenue

Reported growth: + 33%

Organic growth: + 12%

Yoy change in basis points:

Comparable constant + 39%

Reported yoy change + 110 bps

Constant currency yoy change + 140 bps

Comparable constant

currency growth:

Region	Q3 Revenue	Reported Growth year over year	Organic Growth year over year	Selected Business Segments	Q3 Revenue	Reported Growth year over year	Organic Growth year over year
U.S.	\$341M	+13%	+13%	CAG	\$478M	+ 12%	+ 13%
International	\$205M	+7%	+10%	Water	\$33M	+ 7%	+ 9%
				LPD	\$29M	+ 4%	+ 7%

CAG Detail

Q3 Premium Instrument Placements

	Catalyst®	1,611
	Premium Hematology	821
	SediVue® Dx	594
TOTAL		3,026
	SNAP Pro®	1,495

Net CAG Revenue

	Q3 Revenue	Reported Growth year over year	Organic Growth year over year
CAG Diagnostics Recurring	\$409M	+ 12%	+ 13%
<i>IDEXX VetLab® Consumables</i>	<i>\$153M</i>	<i>+ 18%</i>	<i>+ 19%</i>
<i>Rapid Assay Products</i>	<i>\$54M</i>	<i>+ 6%</i>	<i>+ 6%</i>
<i>Reference Laboratory Dx & Consulting Services</i>	<i>\$184M</i>	<i>+10%</i>	<i>+11%</i>
<i>CAG Diagnostics Service and Accessories</i>	<i>\$19M</i>	<i>+ 12%</i>	<i>+ 13%</i>
CAG Diagnostics Capital – Instruments	\$32M	+ 8%	+ 10%
Veterinary Software, Services & Diagnostic Imaging Systems	\$37M	+ 15%	+ 13%

Full Year 2018 Outlook

Growth year over year

Comparison to 2018 Outlook Provided on Q2 Call (provided in Q2 2018 Earnings Call on August 1, 2018)

Revenue **\$2,205 - \$2,215M**

Reported: + 12% - 12.5%
Organic: + 11.5% - 12.0%

▪ **Refining Revenue Outlook:** Narrowed organic revenue growth outlook to 11.5%-12.0%.

EPS **\$4.16 - \$4.21**

Reported: + 41% - 43%
Comparable
Constant currency: + 33% - 35%

▪ **Higher EPS + \$0.04 per share:** Incorporates updated revenue outlook and expectations for 110 to 130 basis points in full year constant currency operating margin improvement – at the higher end of prior guidance range; +\$0.03 related to higher projected share-based compensation tax benefit +\$0.01 related to operational performance.

Free Cash Flow **~ 70 - 75%**
Of Net Income

Full Year 2019 Outlook

Revenue **\$2,385 - \$2,425M**

Reported growth: + 8% - 9.5%
Organic growth: + 9.5% - 11%

EPS **\$4.61 - \$4.75**

Reported growth: + 10% - 14%
Comparable
Constant currency growth: + 15% - 18%

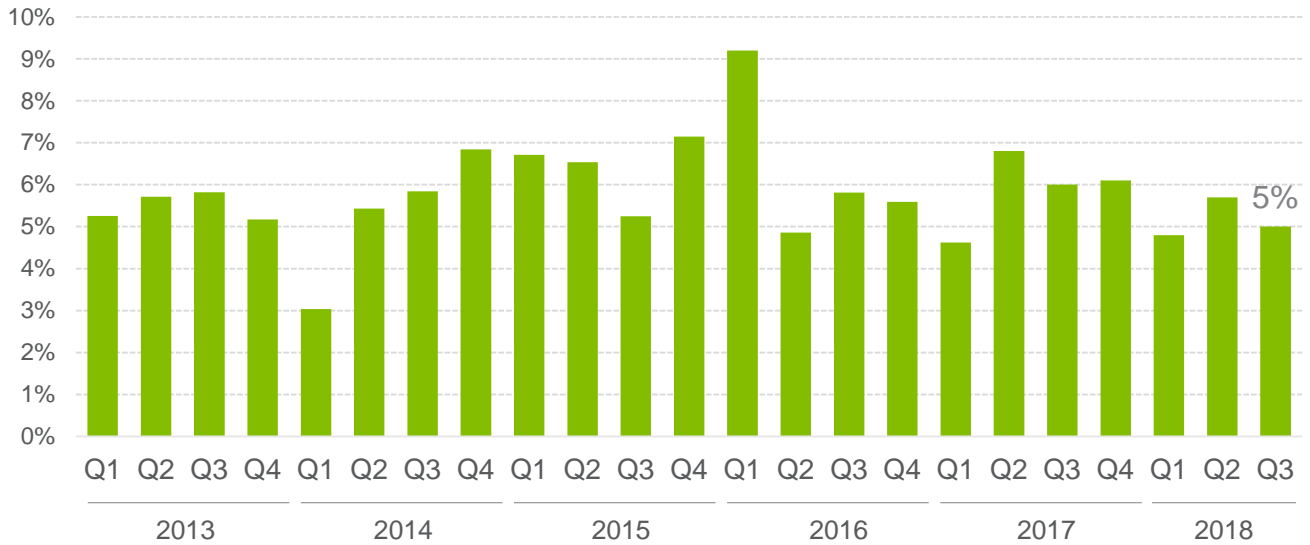
Amounts presented may not recalculate due to rounding. For full financial data, non-GAAP reconciliations and cautionary language regarding forward-looking statements, please refer to IDEXX's fiscal year 2018 third quarter earnings release issued on November 1, 2018 available at <https://www.idexx.com/investors>.

U.S. Companion Animal Practice Growth Update

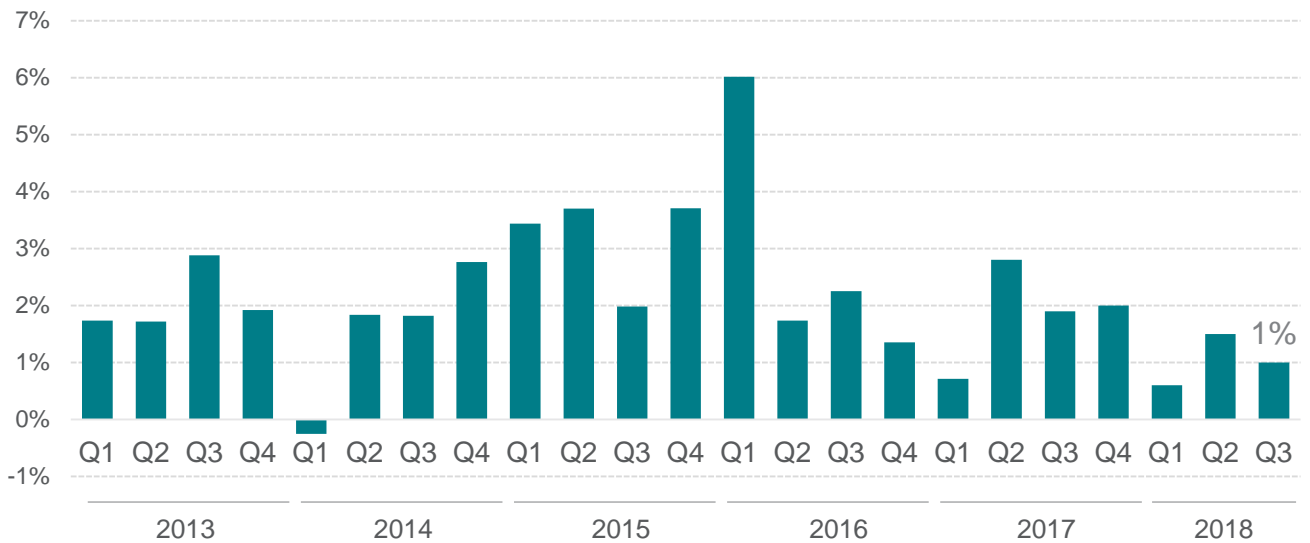
Quarterly U.S. Veterinary Practice Growth Rate

Weighted Average Year-to-Year % Change Per Practice

Practice Revenue Growth



Patient Visit Growth



Source: IDEXX Practice Intelligence data (sample of 4,100 to 7,500 practices), weighted based on region and practice size.