

IDEXX Q3 2022 Earnings Highlights (NASDAQ: IDXX)



Revenue

\$842M

Reported growth: +4%

Organic growth: +8%

CAG Diagnostics Recurring

Organic growth: +9%



Operating Profit

\$245M

29.1% of Revenue

YoY change in basis points:

Reported +120 bps

Comparable +100 bps



Diluted Earnings Per Share

\$2.15

Reported growth: +6%

Comparable growth: +13%



CAG

Revenue **\$765M**

Reported growth: +4%

Organic growth: +8%



Water

Revenue **\$41M**

Reported growth: +7%

Organic growth: +12%



LPD

Revenue **\$28M**

Reported growth: (2%)

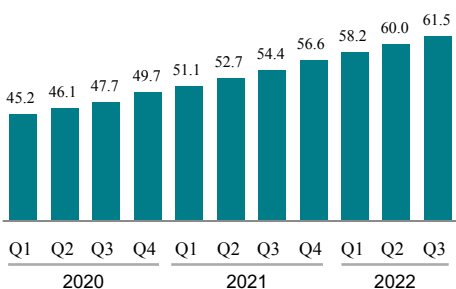
Organic growth: +7%

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	\$667M	+5%	+9%	Catalyst	2,191	694	1,497
<i>IDEXX VetLab® Consumables</i>	\$263M	+4%	+9%	<i>New and competitive</i>	1,518	337	1,181
<i>Rapid Assay Products</i>	\$81M	+5%	+7%	<i>Second</i>	517	346	171
<i>Reference Laboratory Dx and Consulting Services</i>	\$296M	+5%	+8%	Premium Hematology	1,994	589	1,405
<i>CAG Diagnostics Services and Accessories</i>	\$28M	+8%	+13%	SediVue® Dx	552	351	201
CAG Diagnostics Capital – Instruments	\$35M	-11%	-5%	TOTAL	4,737	1,634	3,103
Veterinary Software, Services and Diagnostic Imaging Systems	\$63M	+14%	+15%				

IDEXX Premium Instruments Installed Base

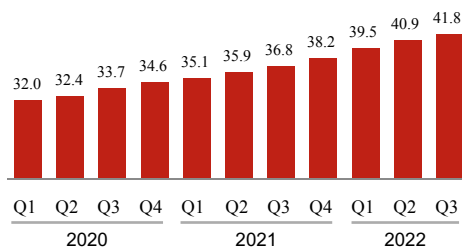
Catalyst Installed Base
(in thousands)

+13%
year over year



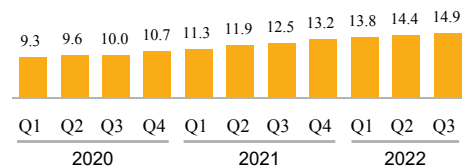
Premium Hematology Installed Base
(in thousands)

+13%
year over year



SediVue Installed Base
(in thousands)

+19%
year over year



For full financial data, non-GAAP reconciliations and cautionary language regarding forward-looking statements, please refer to IDEXX's 2022 third quarter earnings release issued on November 1, 2022 available at <https://www.idexx.com/investors>. Amounts presented may not recalculate due to rounding.




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2022 Growth and Financial Performance Outlook Commentary

- Updated revenue estimate reflects consistent expectations for solid second half organic revenue and comparable operating profit growth.
 - Reported revenue growth of 3.5% - 4.5% and organic growth of 6.5% - 7.5% is driven by 7.5% - 8.5% CAG Diagnostics recurring revenue organic growth.
 - Operating margin outlook of 26.3% - 26.8% includes 230 basis point impact related to discrete R&D investments in the second quarter.
 - EPS estimate of \$7.74 - \$7.98, a decrease of \$0.05 at midpoint compared to prior guidance. This reflects growth of (10%) - (7%) as reported and (4%) - (1%) on a comparable basis, including \$0.72 per share or 9% EPS growth impact related to discrete R&D investments and adjustments to reflect FX changes and higher interest rates.

Growth and Financial Performance Outlook

2022

	Revenue	\$3,325 - \$3,365
	<i>Reported growth</i>	3.5% - 4.5%
	<i>Organic growth</i>	6.5% - 7.5%
	CAG Diagnostics Recurring Revenue Growth	
	<i>Reported growth</i>	4% - 5%
	<i>Organic growth</i>	7.5% - 8.5%
	Operating Margin	26.3% - 26.8%
	<i>Reported margin expansion</i>	(270 bps) - (220 bps)
	Impact of foreign exchange	~ 10 bps
	<i>Comparable margin expansion</i>	(280 bps) - (230 bps)
	Impact of discrete in-license of technology	(230 bps)
	EPS	\$7.74 - \$7.98
	<i>Reported growth</i>	(10%) - (7%)
	<i>Comparable growth</i>	(4%) - (1%)
Other Key Metrics		
	<i>Net interest income</i>	~ \$39
	<i>Share-based compensation tax benefit</i>	~ \$8
	<i>Effective tax rate</i>	21.5% - 22%
	<i>Reduction of average shares outstanding</i>	~ 2%
	Operating Cash Flow	85% - 90% of net income
	Free Cash Flow	60% - 65% of net income
	Capital Expenditures	~ \$165

Amounts in millions except per share data and percentages; parentheses denote year-over-year decline or contraction

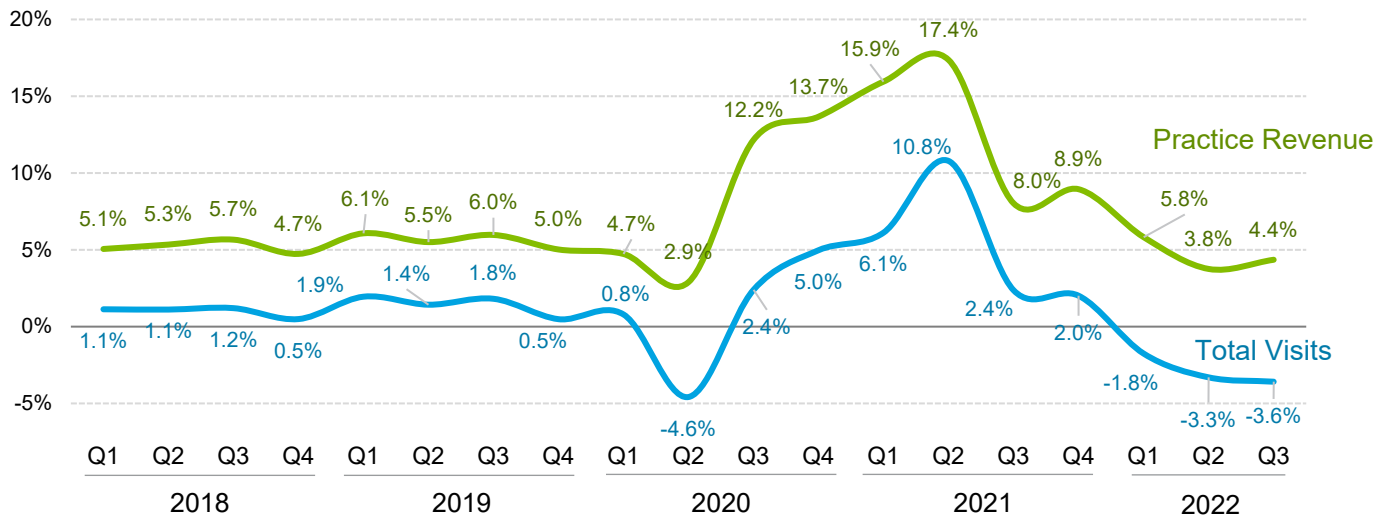
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U.S. Companion Animal Practice Growth Update

As of September 30, 2022

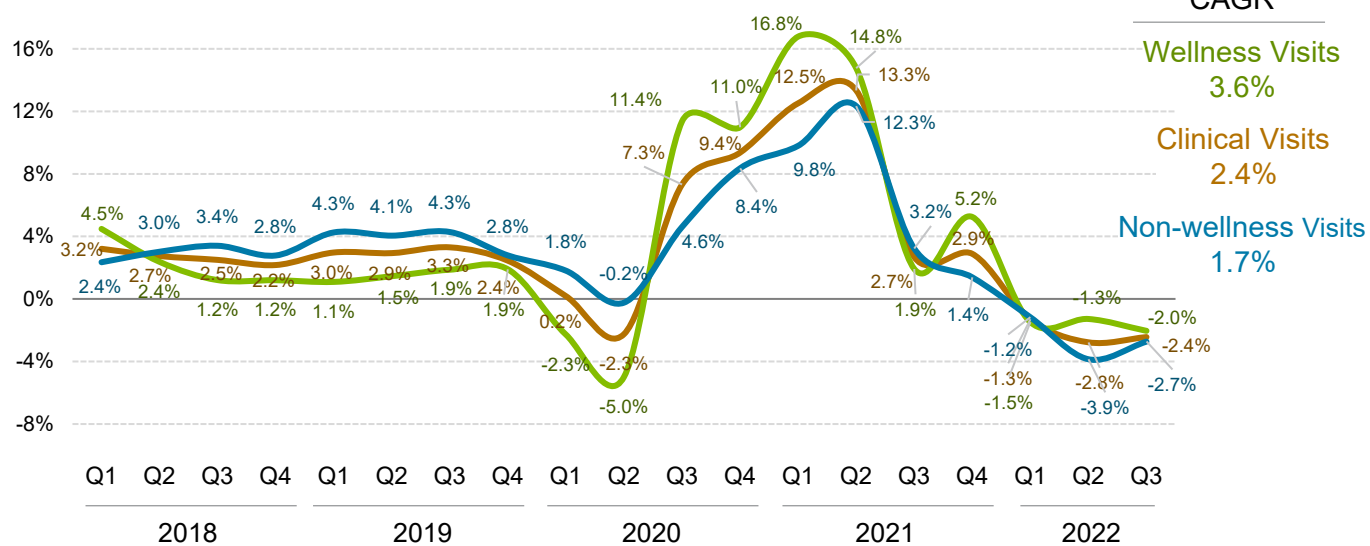
Total Practice Revenue and Visit Growth

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 2021, 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 ~9,100 practices representing six different practice information management systems, weighted to represent the country based on practice size and region.

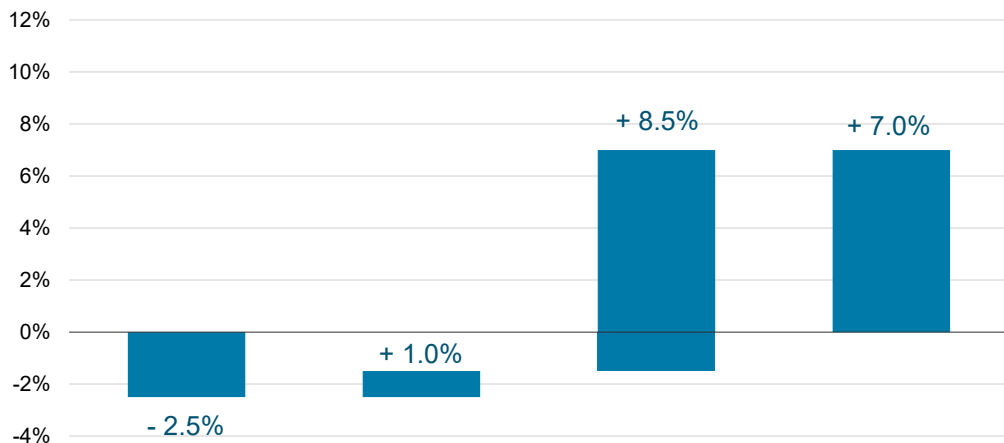
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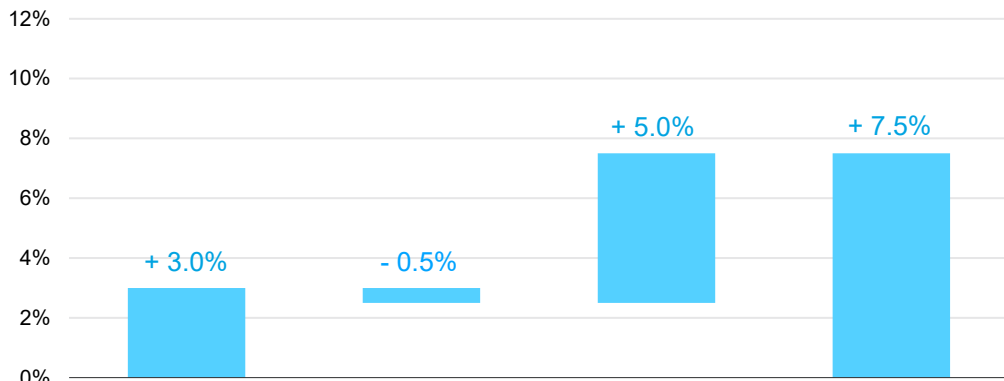


Contributors to U.S. Companion Animal Diagnostic Revenue Growth per Practice**

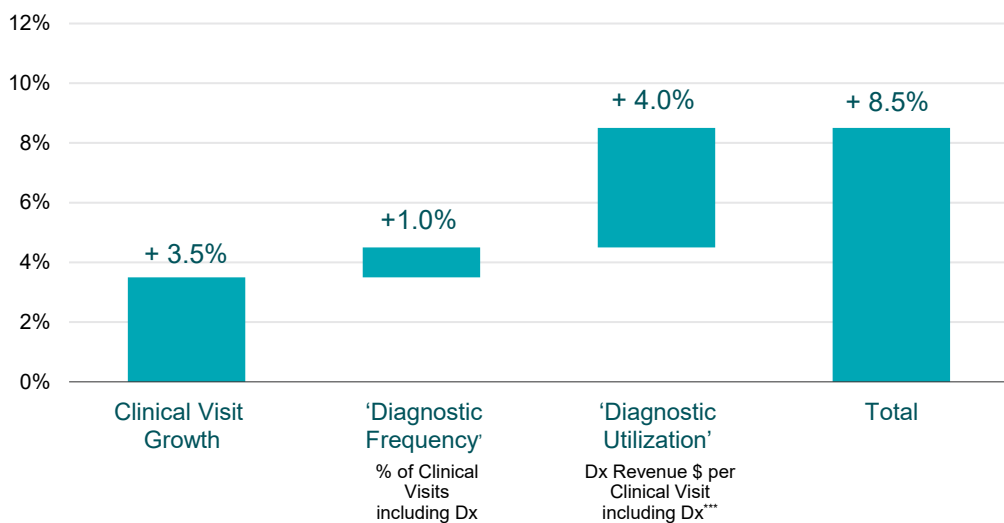
Q3'2022
Year-Over-Year
Growth (%)



Q3'2021
Year-Over-Year
Growth (%)



Average
Q3'2017-2019
Year-Over-Year
Growth (%)



** 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 ~9,100 practices representing six different practice information management systems, weighted based on practice size and region to reflect market composition.