

IDEXX Q2 2024 Earnings Highlights (NASDAQ: IDXX)



Revenue

\$1,004M

Reported growth: +6%

Organic growth: +7%

CAG Diagnostics Recurring

Organic growth: +7%



Operating Profit

\$264M

26.3% of Revenue

YoY change in basis points:

Reported (510 bps)

Comparable +110 bps



Diluted Earnings Per Share

\$2.44

Reported growth: (9%)

Comparable growth: +15%



CAG

Revenue **\$922M**

Reported growth: +6%

Organic growth: +7%



Water

Revenue **\$47M**

Reported growth: +9%

Organic growth: +10%



LPD

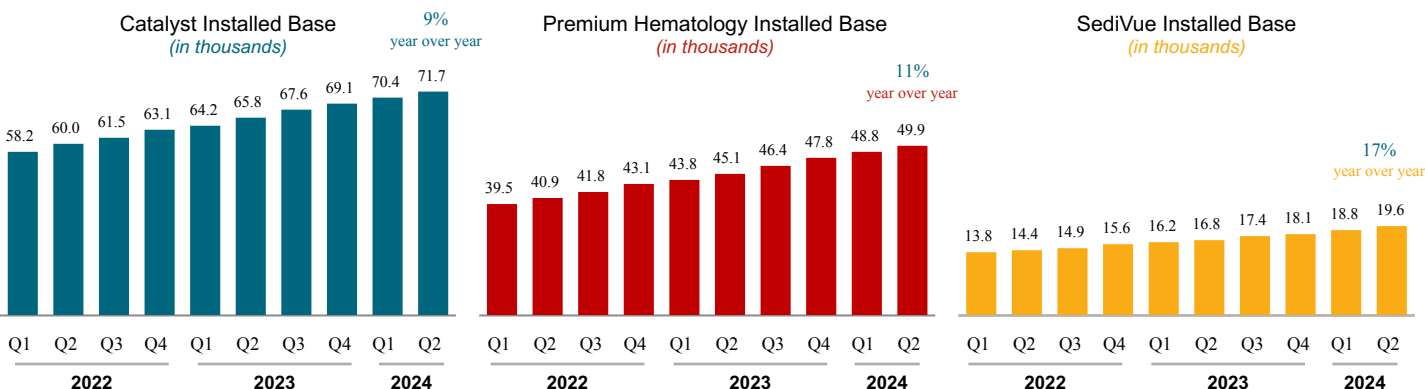
Revenue **\$30M**

Reported growth: +1%

Organic growth: +3%

Net CAG Revenue	Q2 Revenue	Reported Growth year over year	Organic Growth year over year	Q2 Premium Instrument Placements	WW	U.S.	Intl
CAG Diagnostics Recurring	\$808M	+6%	+7%	Catalyst®	1,894	690	1,204
<i>IDEXX VetLab® Consumables</i>	\$325M	+7%	+8%	<i>New and competitive</i>	1,295	333	962
<i>Rapid Assay Products</i>	\$103M	+6%	+6%	<i>Second</i>	560	356	204
<i>Reference Laboratory Dx and Consulting Services</i>	\$347M	+5%	+6%	Premium Hematology	2,198	581	1,617
<i>CAG Diagnostics Services and Accessories</i>	\$32M	+4%	+5%	<i>New and competitive</i>	1,312	349	963
CAG Diagnostics Capital – Instruments	\$35M	+4%	+5%	<i>Upgrades</i>	886	232	654
Veterinary Software, Services and Diagnostic Imaging Systems	\$79M	+12%	+8%	SediVue® Dx	860	361	499
<i>Recurring revenues</i>	\$63M	+17%	+12%	TOTAL	4,952	1,632	3,320
<i>System and hardware</i>	\$15M	(6)%	(6)%				

IDEXX Premium Instruments Installed Base



For full financial data, non-GAAP reconciliations and cautionary language regarding forward-looking statements, please refer to IDEXX's 2024 second quarter earnings release issued on August 6, 2024 available at <https://www.idexx.com/investors>. Amounts presented may not recalculate due to rounding.

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2024 Growth and Financial Performance Outlook Commentary

- Updates full year P&L guidance to incorporate more recent sector growth trends and sustained outlook for strong comparable operating margin and EPS gains
 - Updates revenue guidance to \$3,885 million - \$3,945 million, 6.2% - 7.8% growth as reported and 6.2% - 7.8% organic, lowering organic growth guidance by 1% at midpoint of range and incorporating ~\$15MM favorable FX impact
 - Refines operating margin outlook of 28.7% - 29.0%, reflecting consistent midpoint goals for comparable operating margin improvement and incorporating a \$62MM discrete expense accrual related to an ongoing litigation matter
 - Updates EPS outlook to \$10.31 - \$10.59, a \$0.56 reduction at midpoint reflecting \$0.56 negative impact from the discrete expense accrual related to the ongoing litigation matter. EPS impacts from adjustments to the organic revenue growth outlook were offset by favorable adjustments to FX, interest expense and effective tax rate estimates.

Growth and Financial Performance Outlook

2024



Revenue

\$3,885 - \$3,945

Reported growth

6.2% - 7.8%

Organic growth

6.2% - 7.8%

CAG Diagnostics Recurring Revenue Growth

Reported growth

5.7% - 7.3%

Organic growth

6.2% - 7.8%



Operating Margin

28.7% - 29.0%

Reported margin expansion

(130 bps) - (100 bps)

Negative impact of ongoing litigation matter

~ 160 bps

Comparable margin expansion

30 bps - 60 bps

Negative impact of 2023 customer contract resolution payment

~ 40 bps



EPS

\$10.31 - \$10.59

Reported growth

2% - 5%

Negative impact of ongoing litigation matter

~ 6%

Comparable growth

9% - 12%

Negative impact of 2023 customer contract resolution payment

~ 2%

Other Key Metrics

Net interest expense

~ \$20

Share-based compensation tax benefit

~ \$10

Effective tax rate

~ 21.5%

Reduction in average shares outstanding

0.5 % - 1%

Operating Cash Flow

110% - 115%

Free Cash Flow

90% - 95%

Capital Expenditures

~ \$180

Amounts in millions except per share data and percentages

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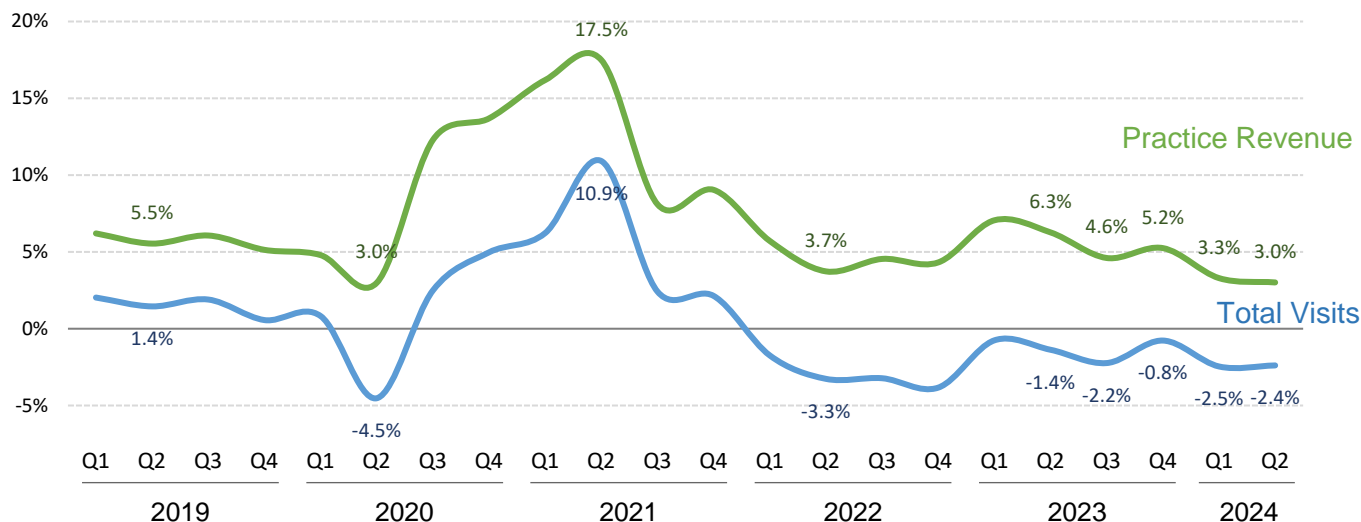
U.S. Companion Animal Practice Growth Update

As of June 30, 2024



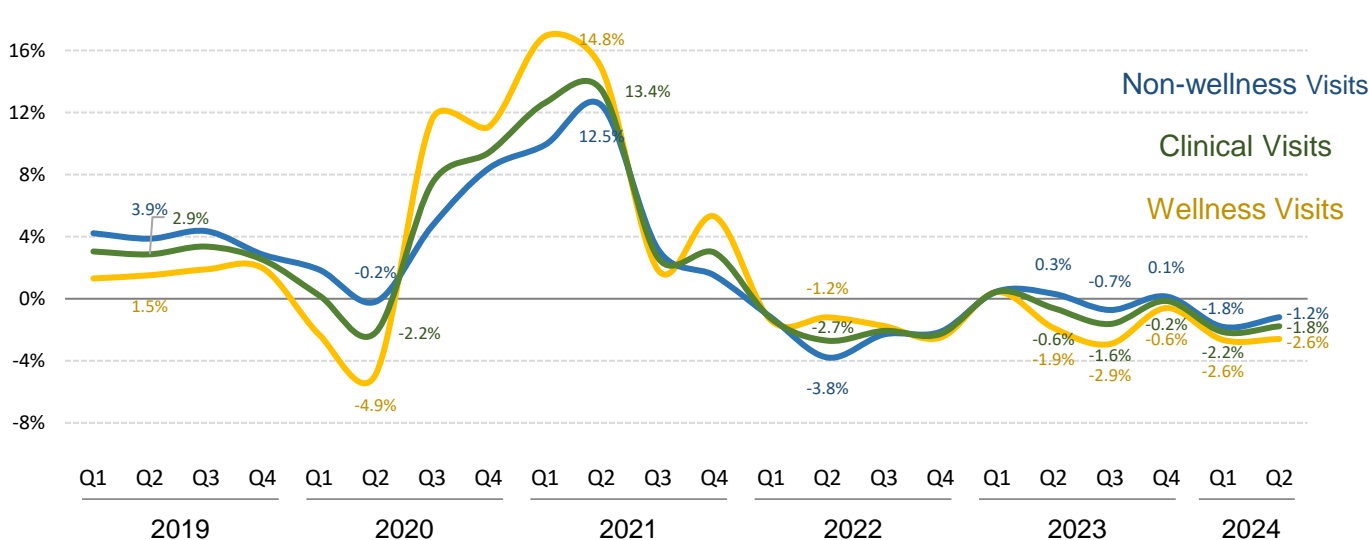
Total Practice Revenue and Visit Growth

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 ~8,200 practices representing six different practice information management systems, weighted to represent the country based on practice size and region.

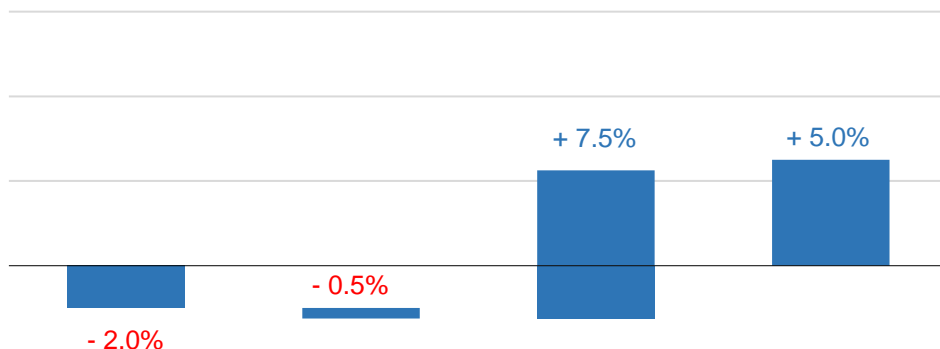
U.S. Companion Animal Practice Growth Update

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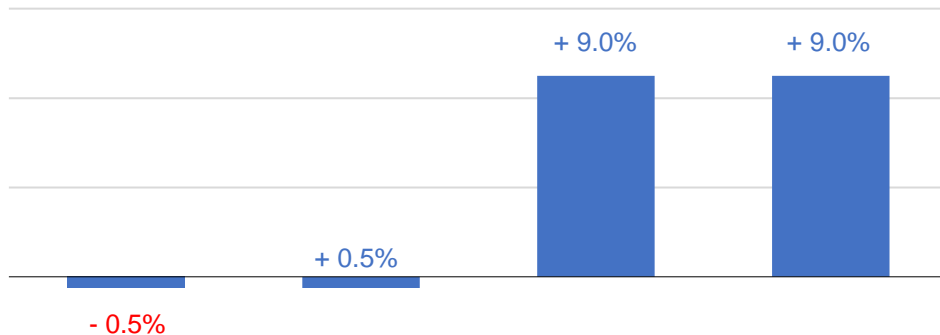
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Contributors to U.S. Companion Animal Diagnostic Revenue Growth per Practice**

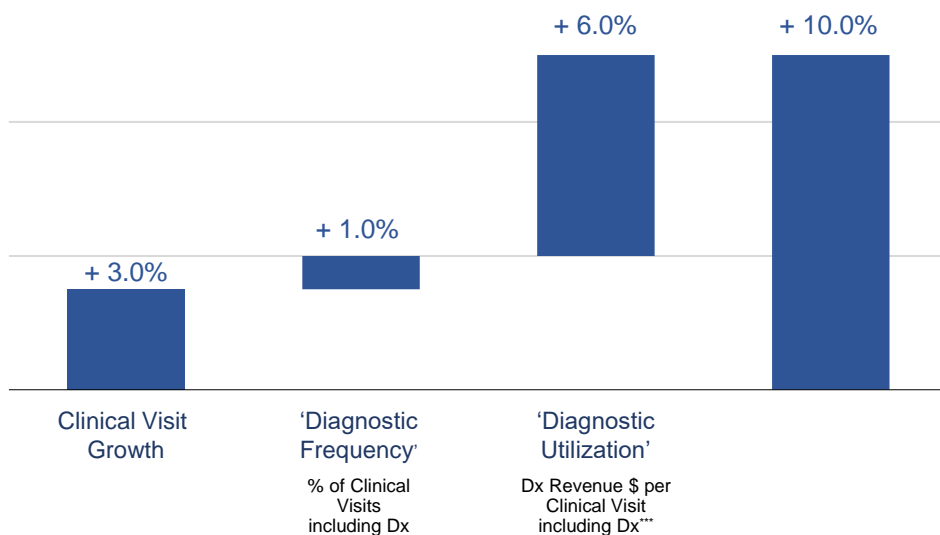
Q2'2024
Year-Over-Year
Growth (%)



Q2'2023



Q2 Average
2019-2022



** 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 ~8,200 practices representing six different practice information management systems, weighted based on practice size and region to reflect market composition.