

# IDEXX Q3 2017 Earnings Highlights (NASDAQ: IDXX)



Revenue



Operating Profit



Diluted Earnings Per Share (EPS)

Q3 2017

**\$492M**

**\$100M**

**\$0.79**

Reported growth: + 10%

20.4% of Revenue

Reported growth: + 27%

Organic growth: + 9%

Yoy change in basis points: + 70 bps

Constant currency growth: + 27%

*Organic growth rate was reduced by ~2% related to fewer equivalent days, intl distributor inventory changes and natural disasters*

Constant currency yoy change in basis points: + 80 bps

Comparable constant currency growth: + 16%

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.	<b>\$301M</b>	+9%	+9%	CAG	<b>\$427M</b>	+ 11%	+ 10%
International	<b>\$191M</b>	+11%	+8%	LPD	<b>\$28M</b>	- 5%	- 7%
				Water	<b>\$31M</b>	+ 11%	+ 10%

## CAG Detail

### Q3 Premium Instrument Placements

	Catalyst®	1,385
	Premium Hematology	848
	SediVue® Dx	505
<b>TOTAL</b>		<b>2,738</b>
	SNAP Pro®	1,373

### Net CAG Revenue

	Q3 Revenue	Reported Growth year over year	Organic Growth year over year
CAG Diagnostics Recurring	\$365M	+ 12%	+ 11%
<i>IDEXX VetLab® Consumables</i>	<i>\$129M</i>	<i>+ 14%</i>	<i>+ 13%</i>
<i>Rapid Assay Products</i>	<i>\$51M</i>	<i>+ 5%</i>	<i>+ 4%</i>
<i>Reference Laboratory Dx &amp; Consulting Services</i>	<i>\$168M</i>	<i>+14%</i>	<i>+13%</i>
<i>CAG Diagnostics Service and Accessories</i>	<i>\$17M</i>	<i>+ 10%</i>	<i>+ 9%</i>
CAG Diagnostics Capital – Instruments	\$29M	- 7%	- 8%
Veterinary Software, Services & Diagnostic Imaging Systems	\$33M	+ 11%	+ 10%

## Outlook

### Full Year 2017 Outlook

Growth year over year

Comparison to 2017 Outlook Provided on Q2 Call (provided in Q2 2017 Earnings Call on August 1, 2017)

Revenue **\$1,950 - \$1,960M**

Reported: + 10% - 10.5%

▪ Revenue: Incorporates expectations for FY weather related impacts, a lower projected growth rate for LPD and projections for relatively higher deferred instrument revenues this year; offset by favorable FX changes

Organic: + 9.5% - 10%

EPS **\$3.22 - \$3.26**

Reported: + 32% - 34%

▪ EPS: +\$0.07 per share (+\$0.02 of operational improvement from our earlier guidance and +\$0.05 of discrete tax benefits)

Free Cash Flow **~ 95%**  
As % of Net Income

Comparable constant currency: + 18% - 20%

▪ Assumes ~\$0.35 per share in EPS tax benefits, \$0.30 from stock compensation accounting changes and \$0.05 per share in discrete tax benefits; anticipate ~\$0.17 to \$0.20 per share of these tax benefits will not continue in future years

### Full Year 2018 Outlook

Growth year over year

Revenue **\$2,140 - \$2,180M**

Reported: + 9.5% - 11.5%

Organic: + 9% - 11%

EPS **\$3.50 - \$3.62**

Reported: + 8% - 12%

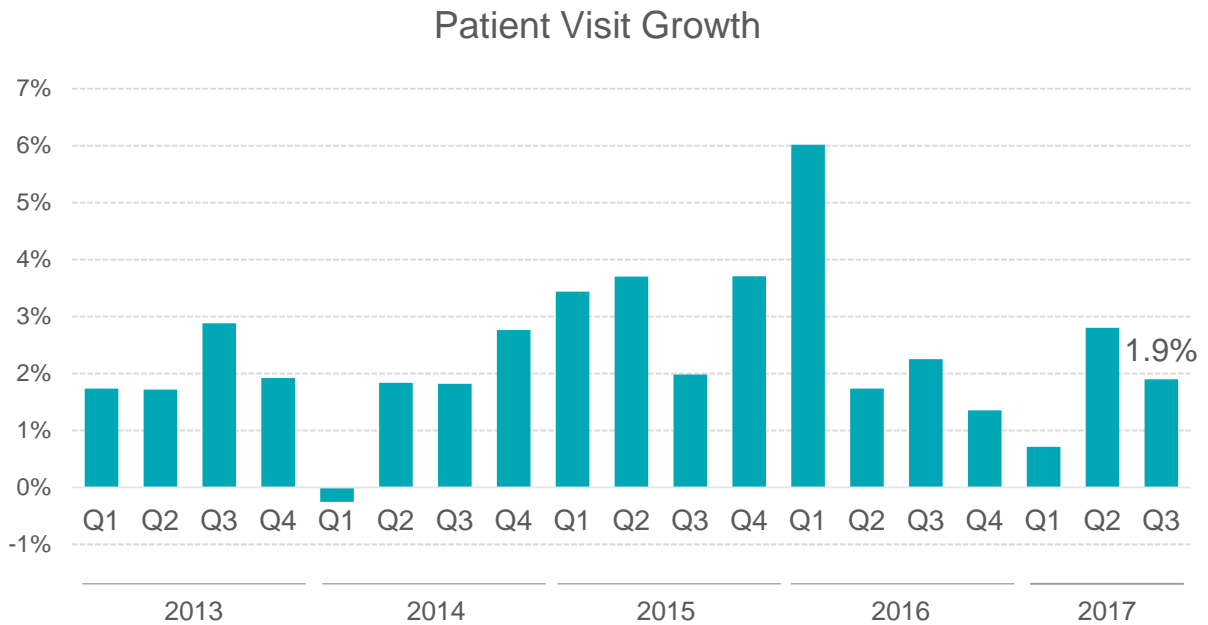
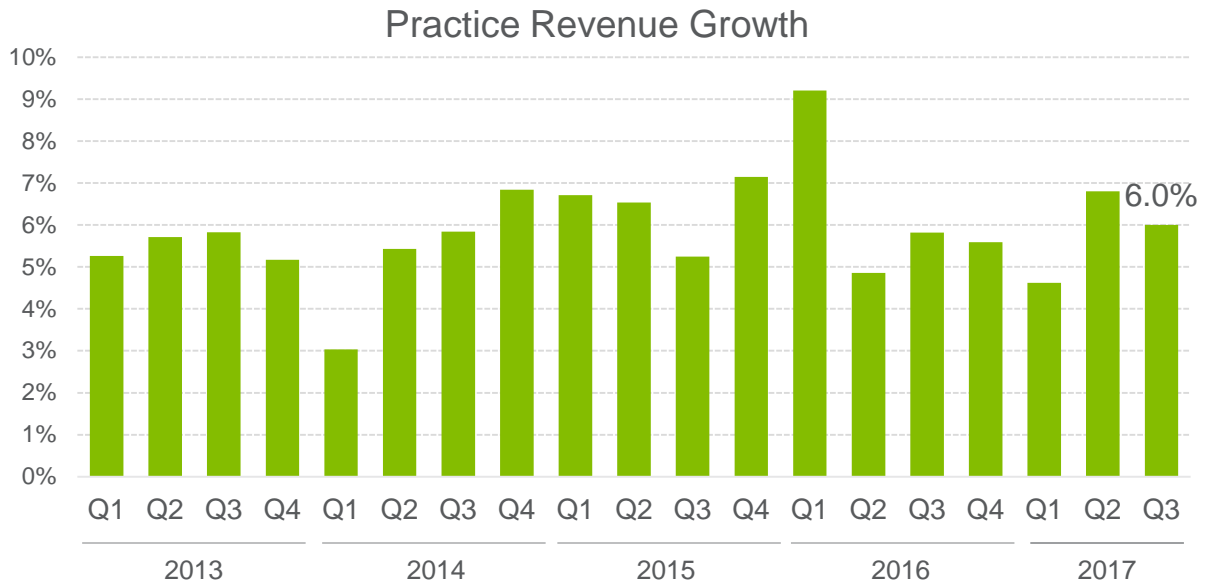
Comparable constant currency: + 15% - 19%

For full financial data, foreign exchange rate assumptions, non-GAAP reconciliations and cautionary language regarding forward-looking statements, please refer to IDEXX's fiscal year 2017 third quarter earnings release issued on October 31, 2017 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



Source: IDEXX Practice Intelligence data (sample of 4,100 to 5,400 practices), weighted based on region and practice size.