

# IDEXX Q2 2020 Earnings Highlights (NASDAQ: IDXX)



## Revenue

**\$638M**

Reported growth: +3%  
Organic growth: +4%

**CAG Diagnostics Recurring**  
Organic Growth: +7%



## Operating Profit

**\$193M**

30% of Revenue

YoY change in basis points:

Reported +380 bps  
Constant currency +410 bps



## Diluted Earnings Per Share

**\$1.72**

Reported growth: +20%  
Comparable constant currency growth: +23%



## CAG

Revenue **\$566M**

Reported growth: +3%  
Organic growth: +4%



## Water

Revenue **\$28M**

Reported growth: -19%  
Organic growth: -16%



## LPD

Revenue **\$32M**

Reported growth: -3%  
Organic growth: +2%

## Net CAG Revenue

	Q2 Revenue	Reported Growth <i>year over year</i>	Organic Growth <i>year over year</i>	Q2 Premium Instrument Placements	WW	North America	Intl
<b>CAG Diagnostics Recurring</b>	<b>\$510M</b>	<b>+ 7%</b>	<b>+ 7%</b>	Catalyst	1,043	364	679
<i>IDEXX VetLab® Consumables</i>	\$196M	+12%	+ 13%	<i>New and competitive</i>	701	165	536
<i>Rapid Assay Products</i>	\$65M	-6%	-5%	Premium Hematology	545	227	318
<i>Reference Laboratory Dx and Consulting Services</i>	\$229M	+ 7%	+ 6%	SediVue® Dx	275	182	93
<i>CAG Diagnostics Services and Accessories</i>	\$21M	+ 5%	+ 6%	<b>TOTAL</b>	<b>1,863</b>	<b>773</b>	<b>1,090</b>
CAG Diagnostics Capital – Instruments	\$19M	-40%	-39%				
Veterinary Software, Services and Diagnostic Imaging Systems	\$37M	-4%	-3%				

## Full Year 2020 Outlook

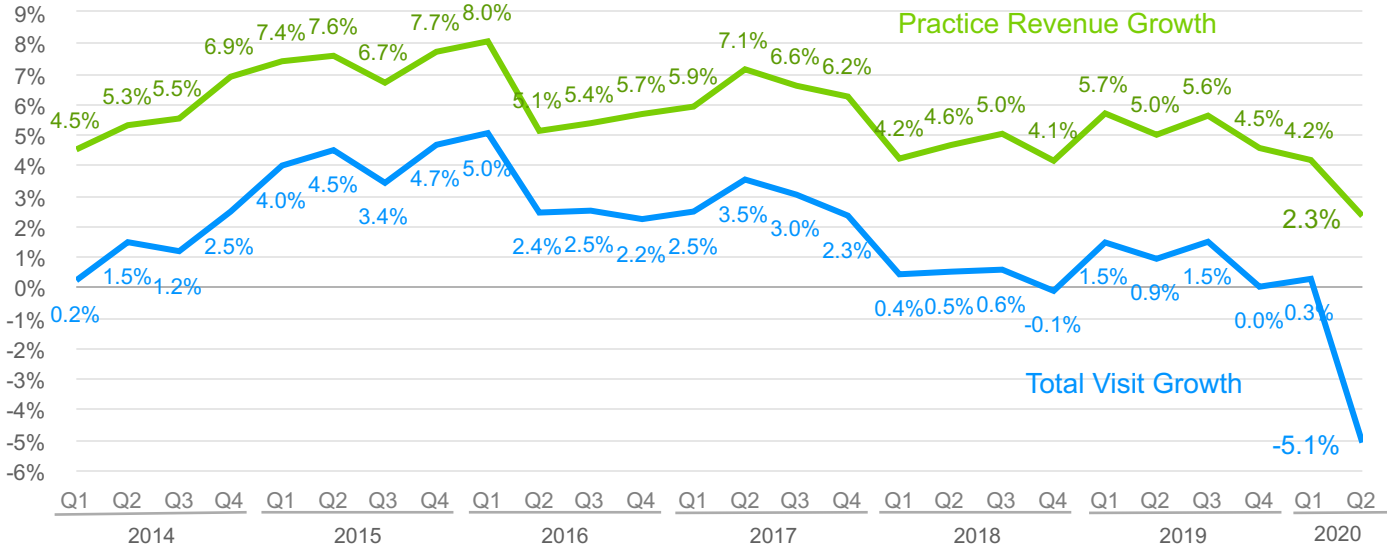
The company is maintaining suspension of 2020 guidance due to the unpredictability of potential future impacts related to the COVID-19 pandemic.

Impacts of the COVID-19 pandemic have been seen in IDEXX's CAG and Water businesses. Stay-at-home policies deployed to combat the spread of COVID-19 constrained visits to veterinary practices significantly in late March through early April, pressuring diagnostic testing volumes. Restrictions on access of sales professionals to veterinary clinics also contributed to deferrals of new CAG instrument placements. As stay-at-home policies have been relaxed, there has been a significant improvement in clinical visit activity. While these trends are encouraging, potential effects related to ongoing COVID-19 case management efforts and related economic impacts are challenging to predict and may moderate future revenues.

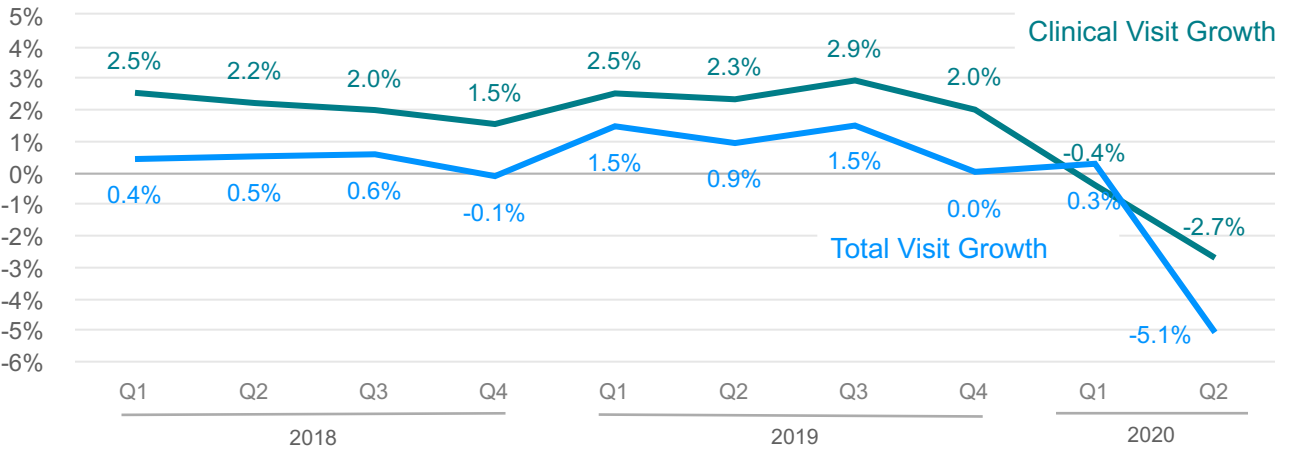
For full financial data, non-GAAP reconciliations and cautionary language regarding forward-looking statements, please refer to IDEXX's 2020 second quarter earnings release issued on July 31, 2020 available at <https://www.idexx.com/investors>. Amounts presented may not recalculate due to rounding.

# U.S. Companion Animal Practice Growth Update

## Total Practice Revenue and Visit Growth Weighted Average Year-to-Year % Change *Per Practice\**



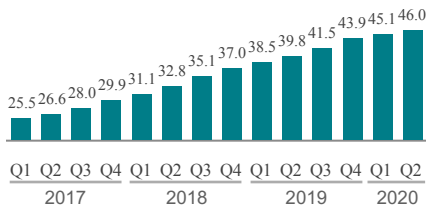
## Total and Clinical Patient Visit Growth Weighted Average Year-to-Year % Change *Per Practice\**



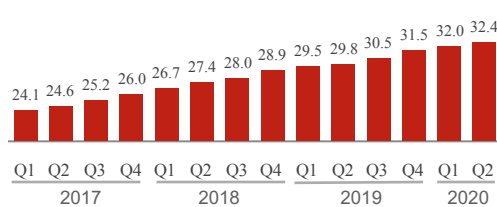
**Source:** IDEXX Practice Intelligence data; sample of ~7,750 practices representing six different practice information management systems, weighted based on practice size and region to reflect market composition. 'Clinical visits' are those where the reason for visit involves an interaction between a clinician and a pet. \*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.

## IDEXX Premium Instruments Installed Base

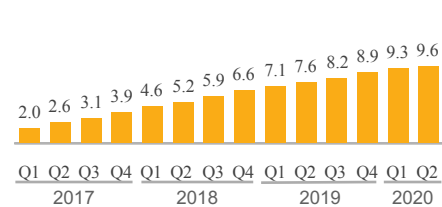
Catalyst Installed Base  
(in thousands)



Premium Hematology Installed Base  
(in thousands)



SediVue Installed Base  
(in thousands)



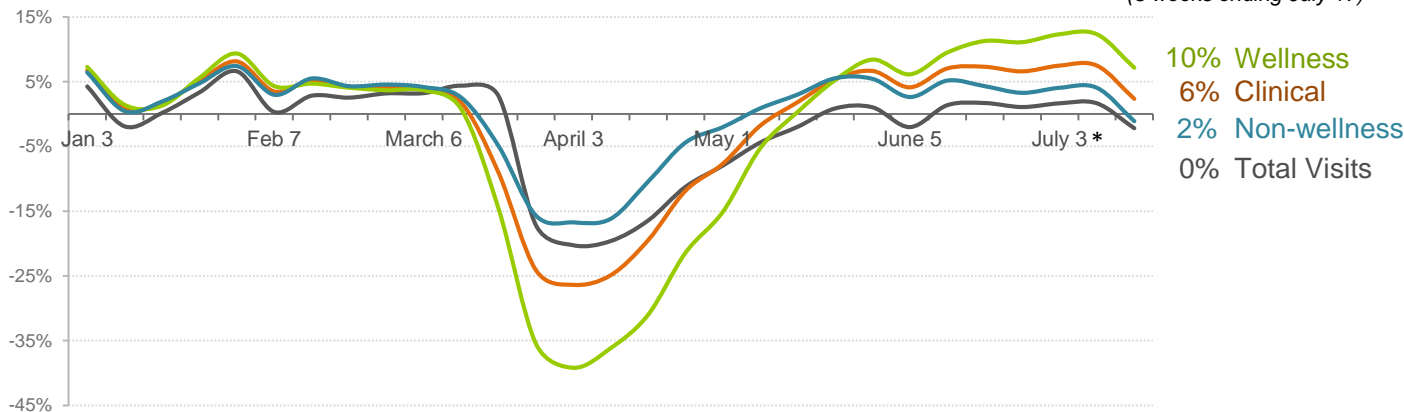
# U.S. Companion Animal Market Trends Update

As of July 17, 2020

## U.S. Average Visits per Practice 7-day Moving Average Year-Over-Year Change (%)

July Visit Growth

(3 weeks ending July 17)



## 2020 Year-Over-Year % Growth Rates

Average per Practice	Q1	Q2	July (3 weeks ending July 17)
Total Practice Revenue	4%	2%	10%
Total Visits	0.3%	-5%	0.3%
Clinical Visits	-0.4%	-3%	6%
Non-Wellness Visits	1%	-1%	2%
Wellness Visits	-3%	-5%	10%

## Weekly Year-Over-Year % Growth Rates

Week Ended	Total	Clinical	Non-wellness	Wellness
3/6	3%	4%	4%	4%
3/13	4%	2%	3%	1%
3/20	3%	-9%	-5%	-15%
3/27	-17%	-24%	-16%	-35%
4/3	-20%	-26%	-17%	-39%
4/10	-20%	-25%	-16%	-36%
4/17	-16%	-20%	-10%	-31%
4/24	-11%	-12%	-4%	-21%
5/1	-8%	-8%	-2%	-15%
5/8	-4%	-2%	1%	-5%
5/15	-2%	2%	3%	0%
5/22	1%	5%	6%	5%
5/29	1%	7%	5%	8%
6/5	-2%	4%	3%	6%
6/12	1%	7%	5%	9%
6/19	2%	7%	4%	11%
6/26	1%	7%	3%	11%
7/3	-4%	2%	-1%	6%
7/10	9%	15%	11%	20%
7/17	-2%	2%	-1%	7%

**Total visits** include clinical and non-clinical visits. In 2019, there were an estimated 315 million U.S. total visits.

**Clinical visits** are those where the reason for visit involves an interaction between a clinician and a pet. In 2019, there were an estimated 180 million U.S. clinical visits.

**Non-wellness visits** include those for which the reason for visit is sickness, procedure or monitoring. In 2019, there were an estimated 105 million U.S. non-wellness visits.

**Wellness visits** include those visits for which the reason for visit is an annual exam, vaccination, or routine check-up. In 2019, there were an estimated 75 million U.S. wellness visits.

Estimated 2019 U.S. companion animal diagnostic market revenue was approximately 75% from non-wellness visits and 25% from wellness visits

\* For both of the weeks ending July 3<sup>rd</sup> and July 10<sup>th</sup>, the graph depicts the year-over-year growth estimates for the period of June 27<sup>th</sup> through July 10<sup>th</sup> to smooth the volatility related to holiday timing.

**Source:** IDEXX Practice Intelligence data; sample of ~7,750 practices representing six different practice information management systems, weighted based on practice size and region to reflect market composition. Analysis reflects representative real-time trends on same practice year-over-year growth and does not include adjustments related to equivalent business days and may understate period activity due to latency at clinic level posting daily transactions. We update data for previously reported periods to include subsequent data reporting. Growth rates margin of error of +/- 0.4% at a 95% confidence level.

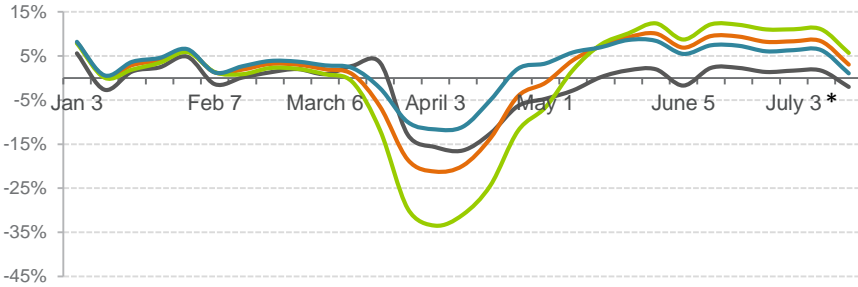
# U.S. Companion Animal Market Trends Update

As of July 17, 2020

- Clinical
- Non-wellness
- Wellness
- Total Visits

## Region Average Visits per Practice 7-day Moving Average Year-Over-Year Change (%)

### South Region



### July Visit Growth

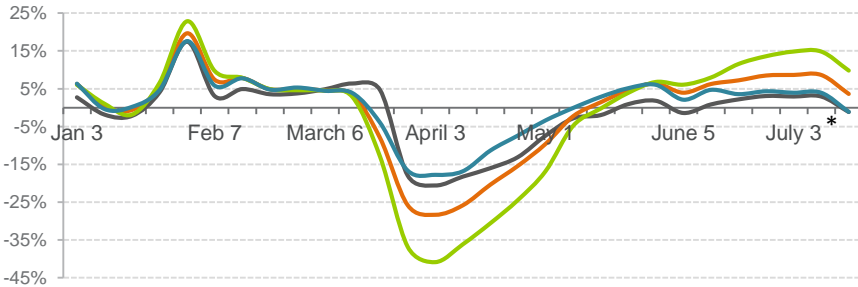
(3 weeks ending July 17)

- 9%
- 6%
- 4%
- 0%



**40%**  
of Total 2019 Clinical Visits

### Midwest Region

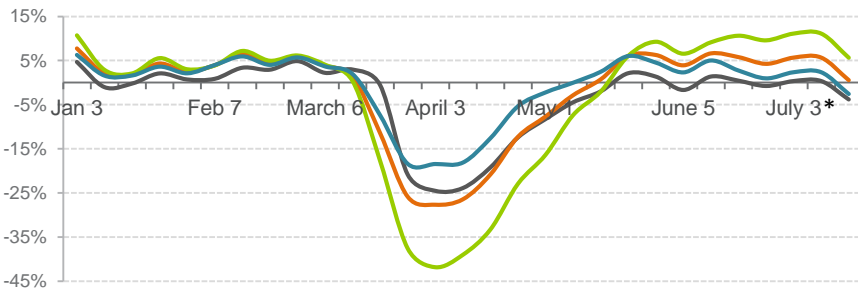


- 13%
- 7%
- 2%
- 2%



**22%**  
of Total 2019 Clinical Visits

### West Region

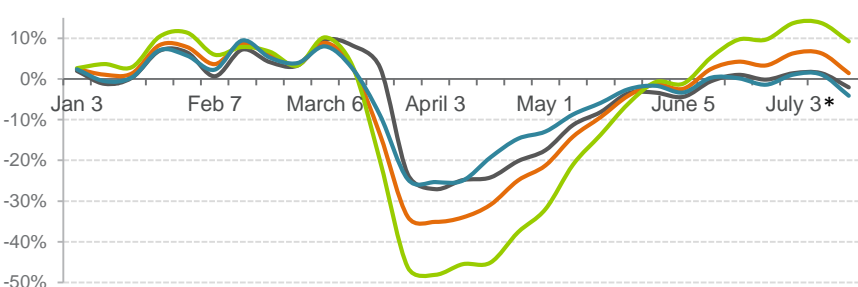


- 9%
- 4%
- 1%
- 1%



**22%**  
of Total 2019 Clinical Visits

### Northeast Region



- 12%
- 5%
- 0%
- 1%



**16%**  
of Total 2019 Clinical Visits