

IDEXX Q4 & Full Year 2022 Earnings Highlights (NASDAQ: IDXX)



Revenue

Q4

\$829M

Reported growth: +3%
Organic growth: +7%

CAG Diagnostics Recurring
Organic Growth: +8%



Operating Profit

\$227M

27% of Revenue

YoY change in basis points:

Reported +240
Comparable +220



Diluted Earnings Per Share

\$2.05

Reported growth: +8%

Comparable growth: +14%

2022

\$3,367M

Reported growth: +5%
Organic growth: +7%

CAG Diagnostics Recurring
Organic Growth: +8%

\$899M

27% of Revenue

YoY change in basis points:

Reported (230)
Comparable (240)

\$8.03

Reported growth: (7%)

Comparable growth: (1%)



CAG

Q4 Revenue

\$749M

Reported growth: +4%

Organic growth: +8%



Water

Q4 Revenue

\$39M

Reported growth: +6%

Organic growth: +10%



LPD

Q4 Revenue

\$33M

Reported growth: (2%)

Organic growth: 6%

Net CAG Revenue

Q4 Revenue

Reported Growth
year over year

Organic Growth
year over year

Q4 Premium Instrument
Placements

WW

U.S.

Intl

CAG Diagnostics Recurring

\$643M

+4%

+8%



Catalyst®

2,319

801

1,518

IDEXX VetLab® Consumables

\$261M

+4%

+9%

New and competitive

1,648

409

1,239

Rapid Assay Products

\$71M

+7%

+9%

Second

538

384

154

Reference Laboratory Dx and Consulting Services

\$283M

+4%

+8%



Premium Hematology

2,074

636

1,438

CAG Diagnostics Services and Accessories

\$27M

-2%

+3%

New and competitive

1,532

408

1,124

CAG Diagnostics Capital – Instruments

\$39M

-11%

-6%



SediVue® Dx

672

400

272

Veterinary Software, Services and Diagnostic Imaging Systems

\$67M

+15%

+17%

TOTAL

5,065

1,837

3,228

IDEXX Premium Instruments Installed Base

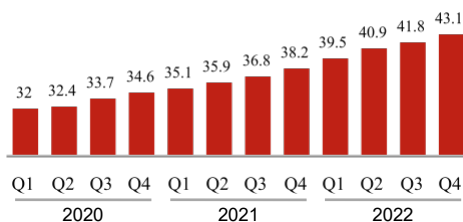
Catalyst Installed Base
(in thousands)

+12%
year over year



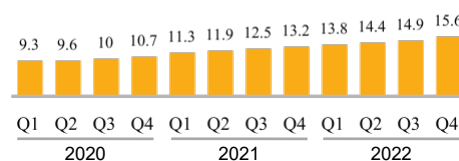
Premium Hematology Installed Base
(in thousands)

+13%
year over year



SediVue Installed Base
(in thousands)

+18%
year over year






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2023 Growth and Financial Performance Outlook Commentary

- Provides initial outlook for 2023 revenue of \$3,590 million - \$3,690 million, reflecting reported revenue growth of 6.5% - 9.5% and organic growth of 7% - 10%, driven by 8.5% - 11% CAG Diagnostics recurring revenue organic growth.
- Estimates 2023 EPS of \$9.27 - \$9.75, reflecting growth of 16% - 21% as reported and 19% - 26% on a comparable basis including 10% growth benefit from lapping discrete R&D investments in 2022 and ~3% EPS growth impact from currency changes.
- Profit outlook reflects 280 - 340 basis points of comparable operating margin expansion including 230 basis point benefit from lapping discrete R&D investment in 2022.

Growth and Financial Performance Outlook

2023

	Revenue	\$3,590	-	\$3,690
	<i>Reported growth</i>	6.5%	-	9.5%
	<i>Organic growth</i>	7%	-	10%
	CAG Diagnostics Recurring Revenue Growth			
	<i>Reported growth</i>	8%	-	10.5%
	<i>Organic growth</i>	8.5%	-	11%
	Operating Margin	29.0%	-	29.6%
	<i>Reported margin expansion</i>	230 bps	-	290 bps
	Impact of foreign exchange			(~ 50 bps)
	<i>Comparable margin expansion</i>	280 bps	-	340 bps
	Impact of 2022 discrete R&D investments			~ 230 bps
	EPS	\$9.27	-	\$9.75
	<i>Reported growth</i>	16%	-	21%
	<i>Comparable growth</i>	19%	-	26%
	Impact of 2022 discrete R&D investments			~ 10%
Other Key Metrics				
	<i>Net interest expense</i>			~ \$48
	<i>Share-based compensation tax benefit</i>			~ \$8
	<i>Effective tax rate</i>	21.5%	-	22%
	<i>Reduction in average shares outstanding</i>	1%	-	1.5%
	Operating Cash Flow	100% - 110% of net income		
	Free Cash Flow	80% - 90% of net income		
	Capital Expenditures	~ \$180 million		

Amounts in millions except per share data and percentages

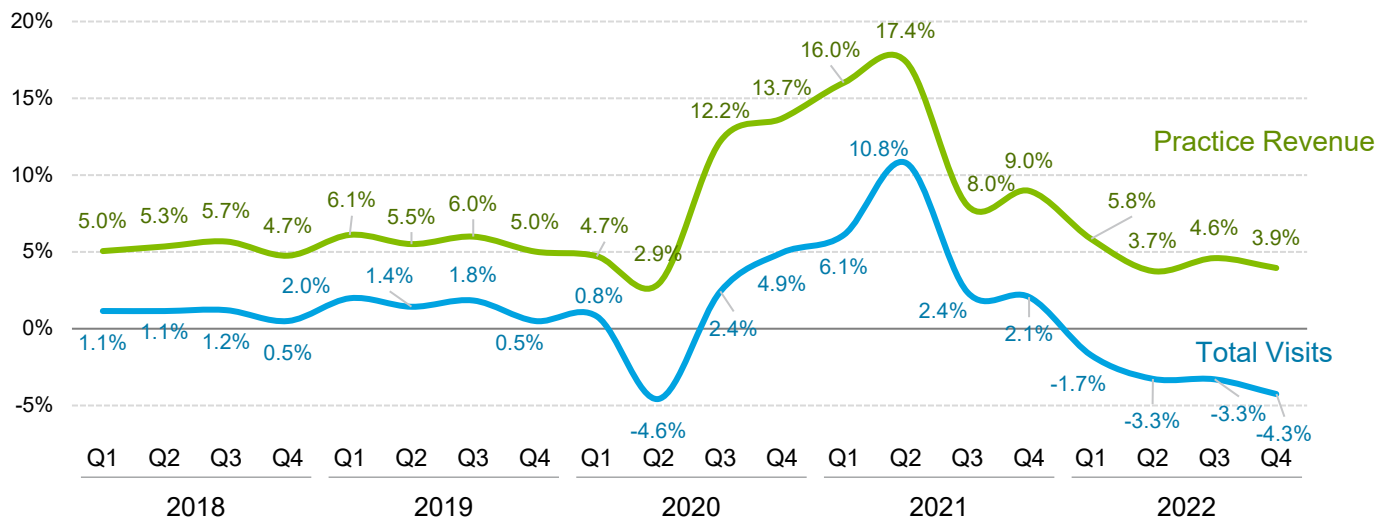
For full financial data, non-GAAP reconciliations and cautionary language regarding forward-looking statements, please refer to IDEXX's 2022 fourth quarter earnings release issued on February 1, 2023 available at <https://www.idexx.com/investors>. Amounts presented may not recalculate due to rounding.

U.S. Companion Animal Practice Growth Update

As of December 31, 2022

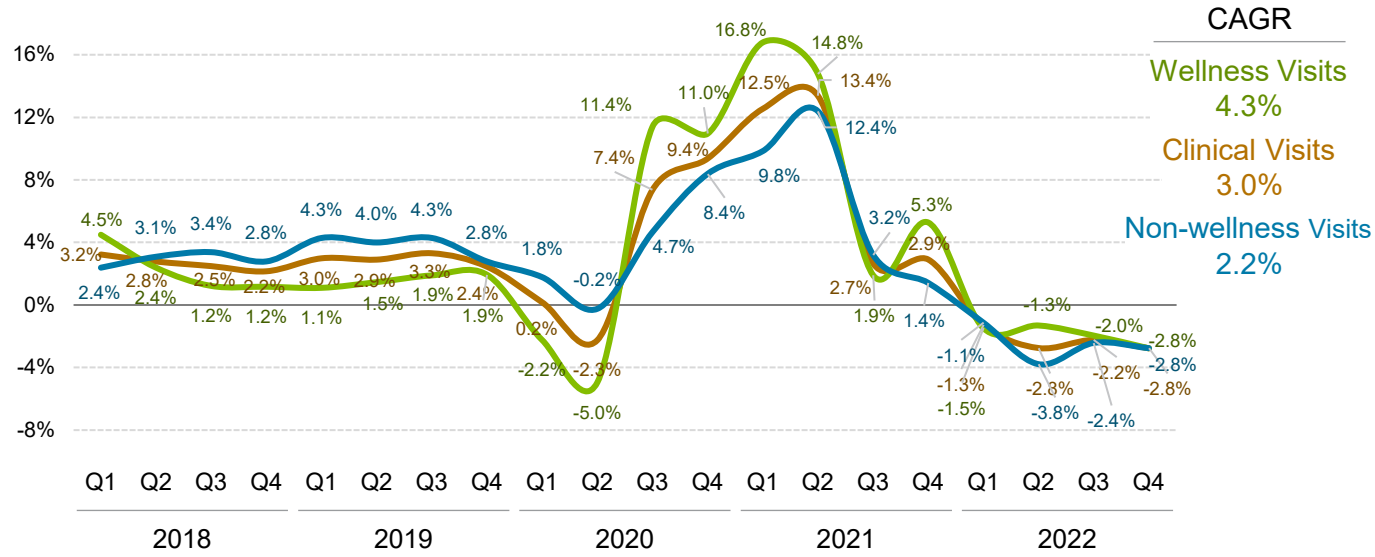
Total Practice Revenue and Visit Growth

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 2022, 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.

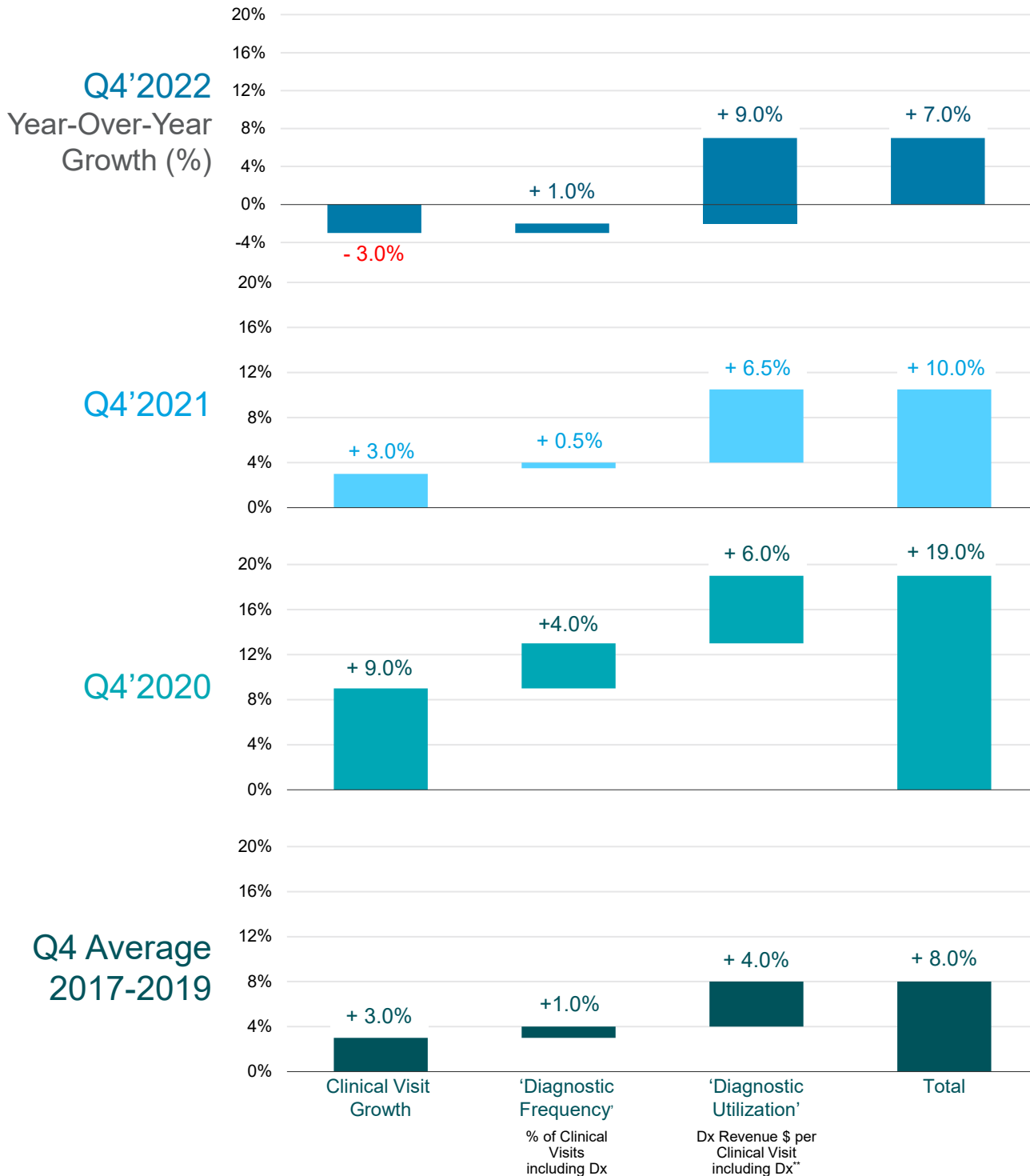
Source: IDEXX Practice Intelligence data; sample of ~9,000 practices representing six different practice information management systems, weighted to represent the country based on practice size and region.

U.S. Companion Animal Practice Growth Update

As of December 31, 2022



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



* Rounded to nearest 50 bps.

** Diagnostic revenue per clinical visit includes volume/ intensity of Dx activity and net price realization.

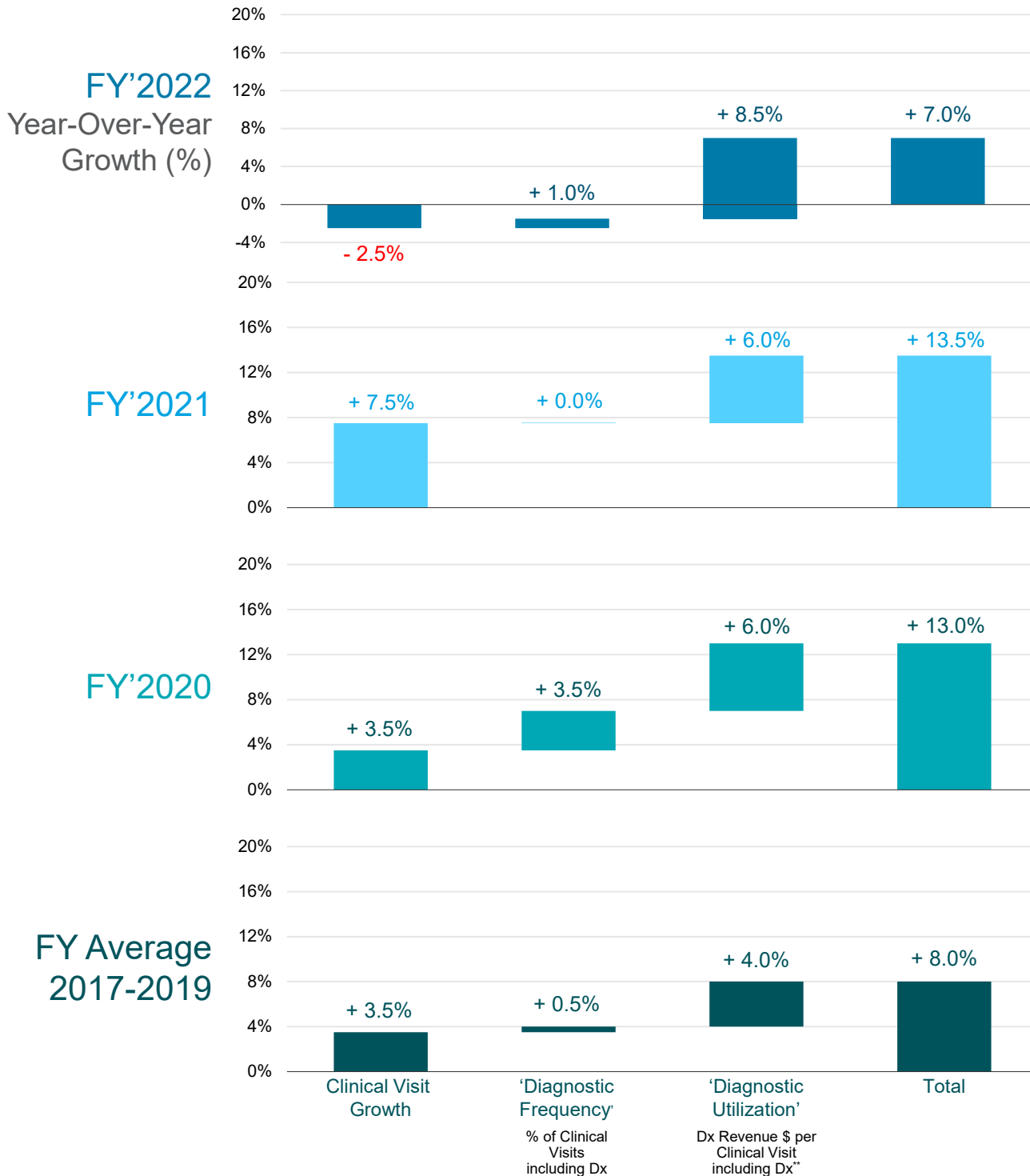
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