



**IDEXX Laboratories, Inc.**

**2022 Annual Meeting of Shareholders  
May 11, 2022**

**Answers to Shareholders' Questions**

We received the following questions and comments before and during our 2022 Annual Meeting of Shareholders. Below are those questions and corresponding answers. Please note we have made some minor edits for clarity and brevity and also consolidated responses to multiple questions on the same topic together and provided one response to the consolidated question.

IDEXX's answers, including any forward-looking statements in this document, reflect management's views as of May 11, 2022. Forward-looking statements are subject to many risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these forward-looking statements. These risks and uncertainties include the risks that are described in IDEXX's SEC filings, including IDEXX's most recent reports on Forms 10-K and 10-Q, copies of which may be obtained by visiting our website at [www.idexx.com](http://www.idexx.com) or the SEC's website at [www.sec.gov](http://www.sec.gov).

IDEXX does not undertake, and expressly disclaims any obligation, to update any forward-looking statement, whether as a result of new information, future events or otherwise.

**Question: Does IDEXX plan on splitting its common stock?**

**Answer:** IDEXX does not have plans to split its common stock. Stock splits have significant administrative costs and do not change the intrinsic value of our shareholders' equity in IDEXX. In addition, fractional share ownership is now offered by more discount brokerages, which helps make higher priced shares (such as IDEXX stock) more accessible to individual investors.

IDEXX also modified its Employee Stock Purchase Plan at the end of 2020 so that employee participants, beginning in 2021, became eligible to purchase notional fractional shares of IDEXX stock – not just whole shares – at a discount to market price using their payroll deductions under the plan. This change permits greater participation by our eligible employees in this valuable employee benefit.

**Question: What would lead IDEXX to initiate a cash dividend?**

**Answer:** IDEXX aims to use cash in a manner that best enhances shareholder value, and regularly evaluates alternatives for capital allocation, including payment of cash dividends. Our first priority is to use cash to invest in our employees and business operations to support achievement of our business and strategic goals and create long-term value. Next, we seek to return excess cash – cash beyond our spending requirements for running and growing our business – to our shareholders. At this time, we are comfortable with our focus on share buybacks to return excess cash, and we do not currently have plans to pay cash dividends. Any decision to declare and pay cash dividends in the future would be at the discretion of our Board and would depend on a variety of factors, which may include (among other things): (i) our



earnings, financial condition, capital requirements and indebtedness level; (ii) any statutory and contractual restrictions on dividends; and (iii) any other considerations that our Board may deem relevant.

**Question: Given Russia’s escalating war with Ukraine, why does IDEXX continue to do business in Russia?**

**Answer:** IDEXX extends its deepest sympathies to the people of Ukraine, as the escalating war has taken a devastating toll on people and pets in the region. As a purpose driven company, we strongly condemn the invasion and violence there and have been committed to supporting the health and safety of our employees, customers, and suppliers in the region. True to the heart of IDEXX, we also have been committed to supporting the pets that are part of their families. We have significantly scaled back operations in Russia including suspending sales of veterinary diagnostic equipment in the country. Instead, our focus is on supporting our employees and veterinary customers that already use IDEXX products so they may continue to provide essential care. We do not have manufacturing operations in the region. To support humanitarian needs in the region we have leveraged the IDEXX Foundation to provide funding to the International Medical Corps, The World Central Kitchen and the International Fund for Animal Welfare – while also providing free rabies tests for displaced Ukrainian pets all over Europe. Going forward we will monitor the situation to identify additional ways to support Ukrainian refugees and their pets, and would like to thank our employees around the world who have taken part in the IDEXX Foundation matching program to make personal donations to these organizations.

**Question: For the CEO, what keeps you up at night about the future IDEXX prospects and competition?**

**Answer:** IDEXX’s primary business is centered around providing companion animal diagnostic products and services and software solutions that deliver clinical insights to veterinarians. This business is our Companion Animal Group, or CAG, business, and represents about 90% of company revenue. Our core CAG business has excellent long-term secular growth characteristics, with many factors supporting continued growth, such as the deepening bond between pets and their owners, the growth in the global pet population (which accelerated during the pandemic) and our veterinary customers’ ever-advancing ability and intent to provide a high medical standard of pet care. We believe that we have a unique opportunity to continue to serve our veterinary customers and create long-term value by pursuing a strategy that focuses on advancing the standard of care through innovation and global commercial execution and expansion. And, by successfully executing our strategy, we will continue to deliver on our long-term financial goals for enduring revenue growth, operating margin expansion and EPS growth.

What keeps the CEO up at night includes: (i) are we anticipating and meeting the challenges of emerging macro factors – such as the evolving talent landscape and labor markets, since as a growth company, talent is such an important part of our success, and (ii) how best to support the veterinary industry in ensuring that it is able to meet the increasing demand for outstanding pet healthcare services.



Please be assured that our Board and executive team are focused on meeting these challenges and creating long-term value for all our stakeholders. We are confident in the potential for continued strong financial returns in our business, the soundness of our long-term strategy and our ability to successfully execute it. For more information regarding our business strategy and our long-term financial goals reflected in our long-term financial potential model, I refer you to the discussion under “Generating Long-Term Value” and “Key Business Highlights” in our proxy statement.

**Question/Comment: Destroying the “glass ceiling” requires targeting a gender distribution on the Board that “only allows for two more males on the board than females.**

**Answer:** Thank you for your comment and interest in IDEXX. At IDEXX, we believe that diversity in all forms contributes to innovation and effectiveness. With respect to our Board, we are focused on ensuring that a wide range of backgrounds and experiences are represented on our Board. To achieve this, we actively seek out and include highly qualified diverse candidates (including women and persons with racially or ethnically diverse backgrounds) in each pool of potential Board nominees, and we consider the value of diversity of all types when evaluating nominees and assessing our Board members. As a result of this focus on Board composition and diversity, our Board is comprised of Directors who, as a group, bring the right mix of skills, experiences, backgrounds and capabilities necessary for overall effectiveness. And, we’re proud that:

- 30% of our Directors are women
- 20% self-identify as racially or ethnically diverse
- 20% were born and raised outside the United States
- 10% self-identify as LGBTQ+ and
- 10% have a disability