



Raymond James  
45<sup>th</sup> Annual Institutional Investors Conference

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President and Chief Executive Officer  
IDEXX Laboratories, Inc.

March 4, 2024

# Safe Harbor Disclaimer

The following presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's current expectations and beliefs, as well as a number of assumptions concerning future events. These statements are subject to risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements. Forward-looking statements contained in the presentation include discussions about growth opportunities for our business and industry, our anticipated total addressable sector opportunity, industry trends, our innovation strategy and plans, expectations regarding product development, product launches and capabilities of new products and services, future premium instrument placement opportunities, expectations and beliefs regarding the resiliency and durability of our business model, business plans and prospects, future operating and financial performance and other future events. No forward-looking statement can be guaranteed. You are cautioned not to put undue reliance on such forward-looking statements, which speak only as of today's date. The Company assumes no obligation, and expressly disclaims any obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The reports filed by the Company pursuant to United States securities laws contain discussions of the risks, uncertainties and other factors that could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements and you should carefully evaluate forward-looking statements together with the many risks, uncertainties and other factors that affect our business, particularly the matters described under the headings "Business," "Risk Factors," "Legal Proceedings," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Quantitative and Qualitative Disclosures About Market Risks," in our most recent Annual Report on Form 10-K, as well as any subsequent filings on Forms 10-Q and 8-K. You are advised to review the Company's filings with the United States Securities and Exchange Commission (which are available from the SEC's EDGAR database at [www.sec.gov](http://www.sec.gov) and via the Company's website at [www.idexx.com](http://www.idexx.com)).

We refer in this presentation to our 2024 outlook communicated on February 5, 2024. These references speak only as of the date on which they were communicated and shall not be deemed to be a reiteration or affirmation of the guidance or an indication that our expectations have not changed since that time. We also refer in this presentation to our long-term financial model, including revenue growth potential, long-term EPS growth potential, potential average annual comparable operating margin gain, and potential capital allocation leverage. None of these references constitute and shall not be deemed to be the Company's outlook, guidance or projections.

## Non-GAAP Financial Measures

In this presentation, we refer to certain non-GAAP financial measures. While we believe that these non-GAAP financial measures are useful in evaluating our business, this information should be considered as supplemental in nature and should not be considered in isolation or as a substitute for the related financial information prepared in accordance with GAAP. In addition, these non-GAAP financial measures may not be the same as similarly titled measures reported by other companies. For a reconciliation to the most comparable GAAP financial measures, we refer you to our footnotes and the Appendix to this presentation, which also refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2023, available at [www.idexx.com/investors](http://www.idexx.com/investors).

**Please refer to additional footnotes in the Appendix.**

# IDEXX's Purpose is Aligned with our Business Strategy

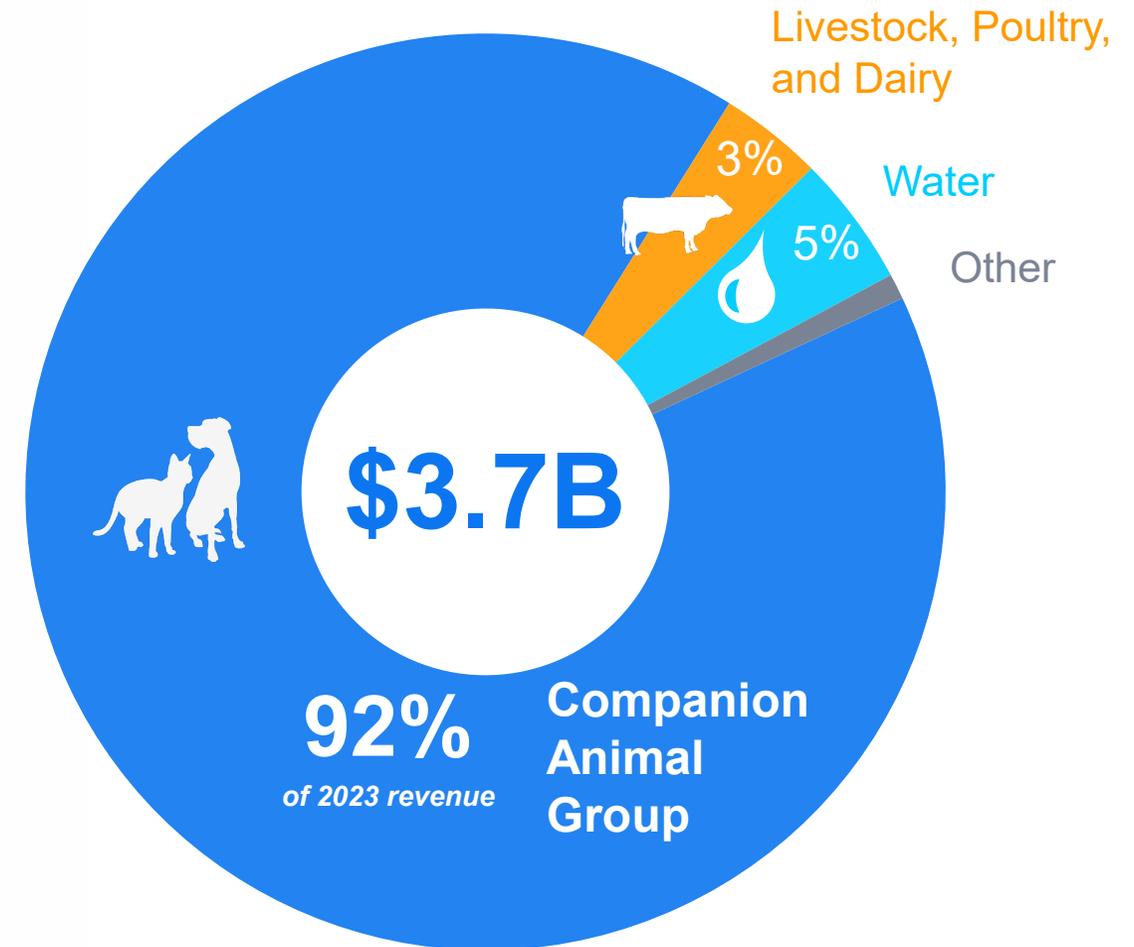
*“To be a great company that creates exceptional long-term value for our customers, employees, and shareholders by enhancing the health and well-being of pets, people, and livestock.”*

- + Giving pets a voice through advanced diagnostics
- + Providing microbiology tests that ensure the safety of drinking water and other water supplies
- + Delivering diagnostic tests and services to monitor the health of herd and flock animals worldwide



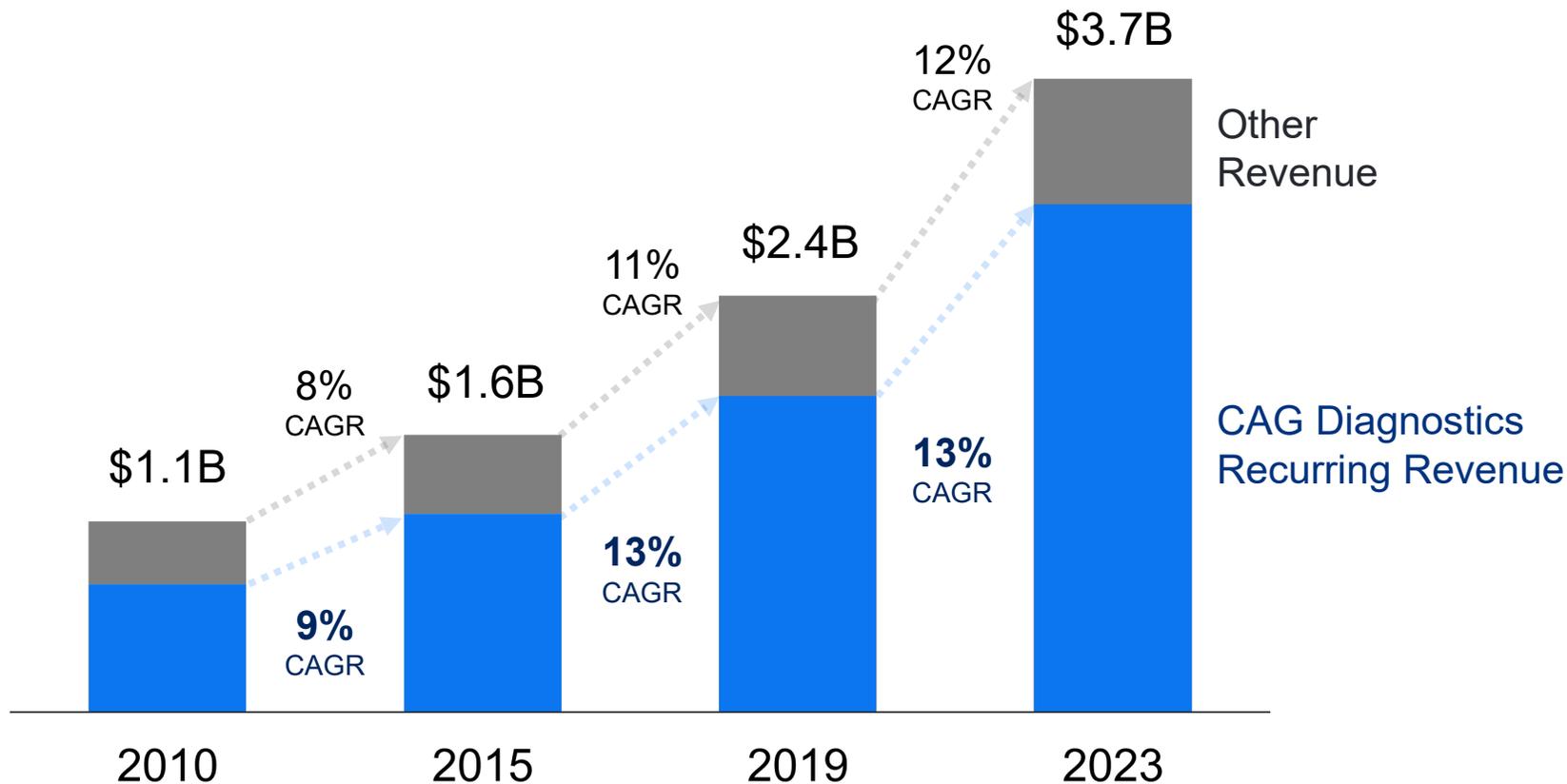
# Our Focus is on Companion Animal Diagnostics and Software

- + Highly attractive long-term growth potential with ~\$45B total addressable opportunity
- + Global leadership position
  - + Innovation driven
  - + Commercial partnership
  - + Cloud-based software, data, and AI
- + Durable recurring revenue model
- + Attractive, expanding margins support high ROIC



# Consistent Strategy Yields High Long-term Revenue Growth Driven by Strong CAG Diagnostics Recurring Revenue Gains

IDEXX Revenue and Normalized Organic Revenue CAGRs (\$B)<sup>1,3</sup>

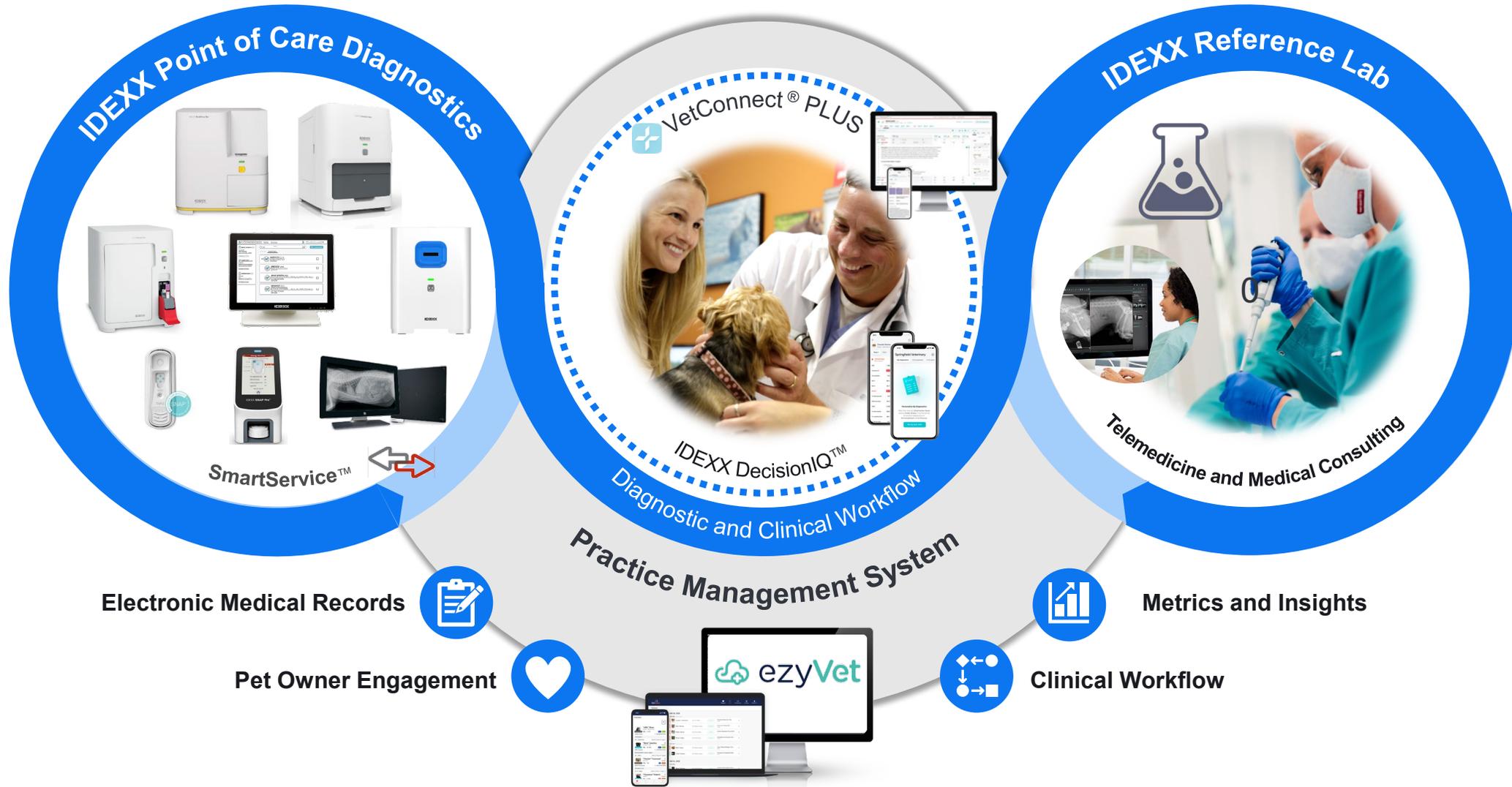


Sustained Strong Growth Supported by Key Growth Drivers

- + Dx Innovation: diagnostic menu, new and existing platform extensions, integrated software
- + Direct commercial model with subject matter experts and supporting ecosystem
- + Geographic expansion
- + Sizeable software business with 15%+ growth potential

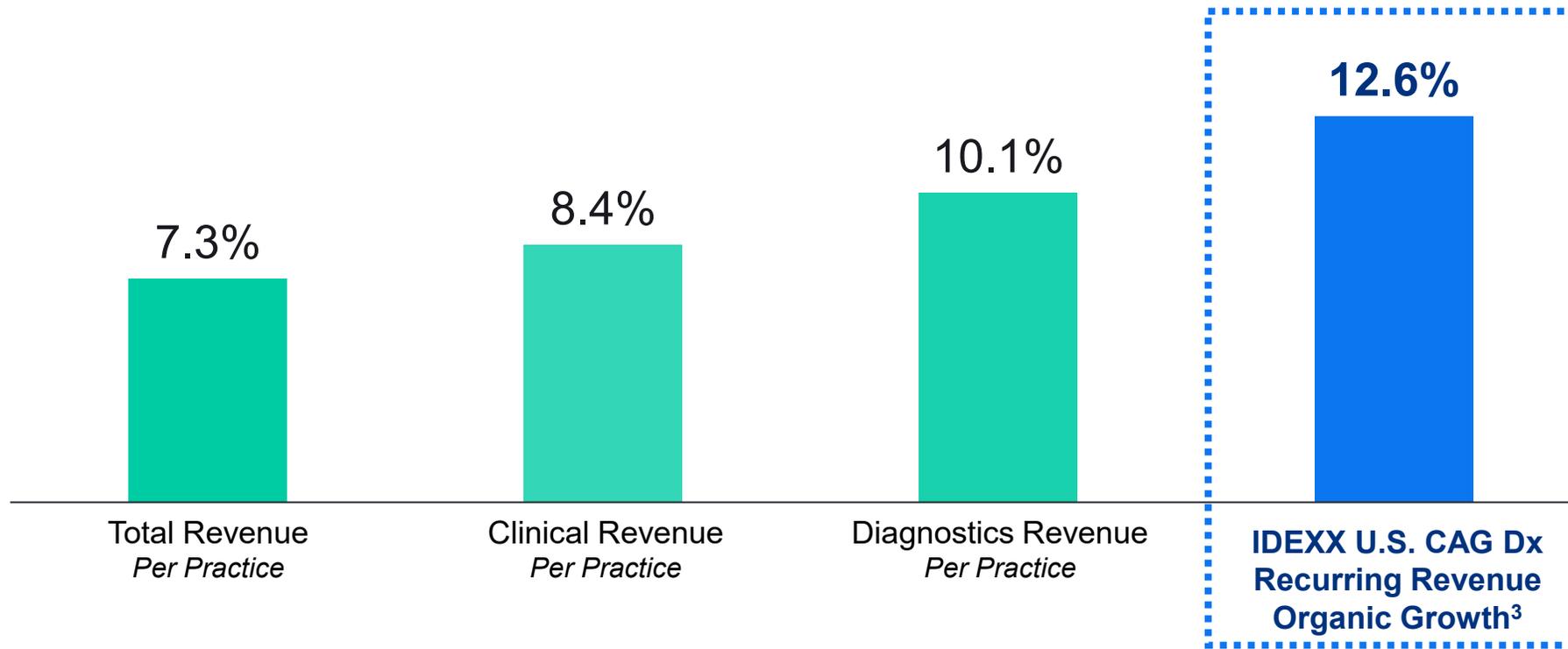
<sup>1,3</sup> Non-GAAP financial measure, please refer to Appendix for descriptive footnotes.

# IDEXX Solutions Deliver Exceptional Customer Value



# IDEXX CAG Diagnostics Recurring Revenue Growth has Outpaced Practice and Sector Diagnostics Growth

IDEXX U.S. CAG Dx Recurring Revenue Organic Growth and U.S. Revenue Growth per Practice\*  
(2018 – 2023 CAGR)



<sup>3</sup> Non-GAAP financial measure, please refer to Appendix for descriptive footnotes.

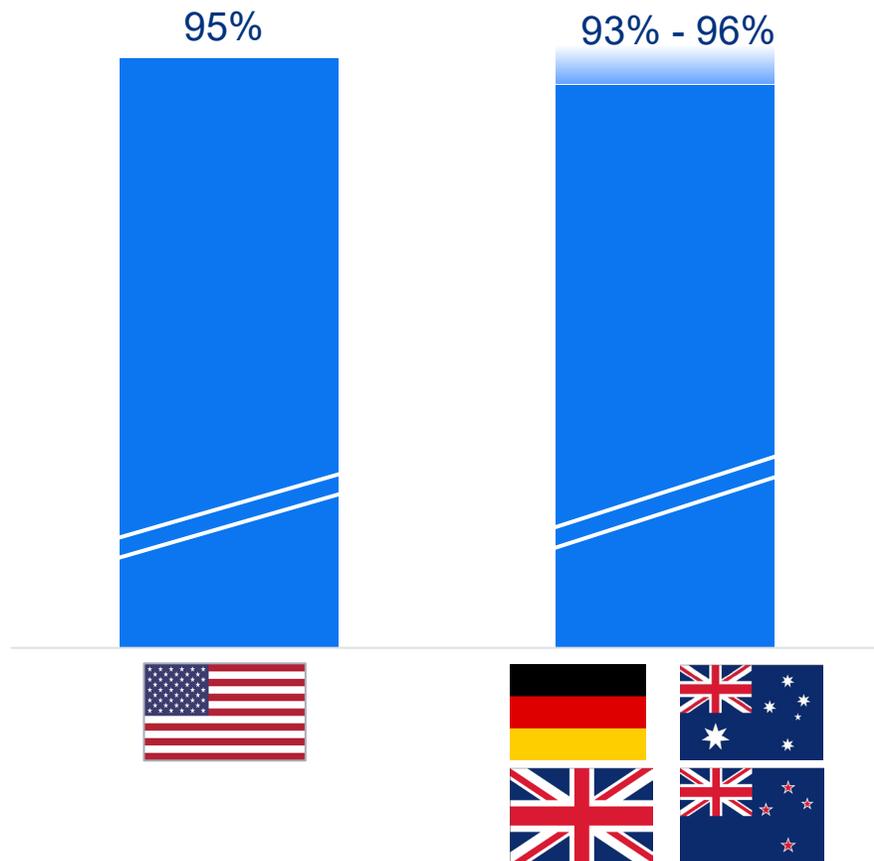
\* Note that we estimate net new practice formation adds ~1% of incremental sector growth per year beyond per practice growth.

Source: Analysis based on IDEXX Practice Intelligence data n = ~8,250 practices. Clinical revenue is associated with clinical visits, where the reason for visit involves an interaction between a veterinary clinician and a pet, including wellness and non-wellness visit types.

# Pet Owners Worldwide Continue to Prioritize Pet Healthcare

**~95% of Pet Owners** Indicate They Brought Their Pet to the Veterinarian When Sick in 2023\*

**>80% of Pet Owners** Would Reduce Spend on Other Categories to Prioritize Care for a Sick Pet\*\*



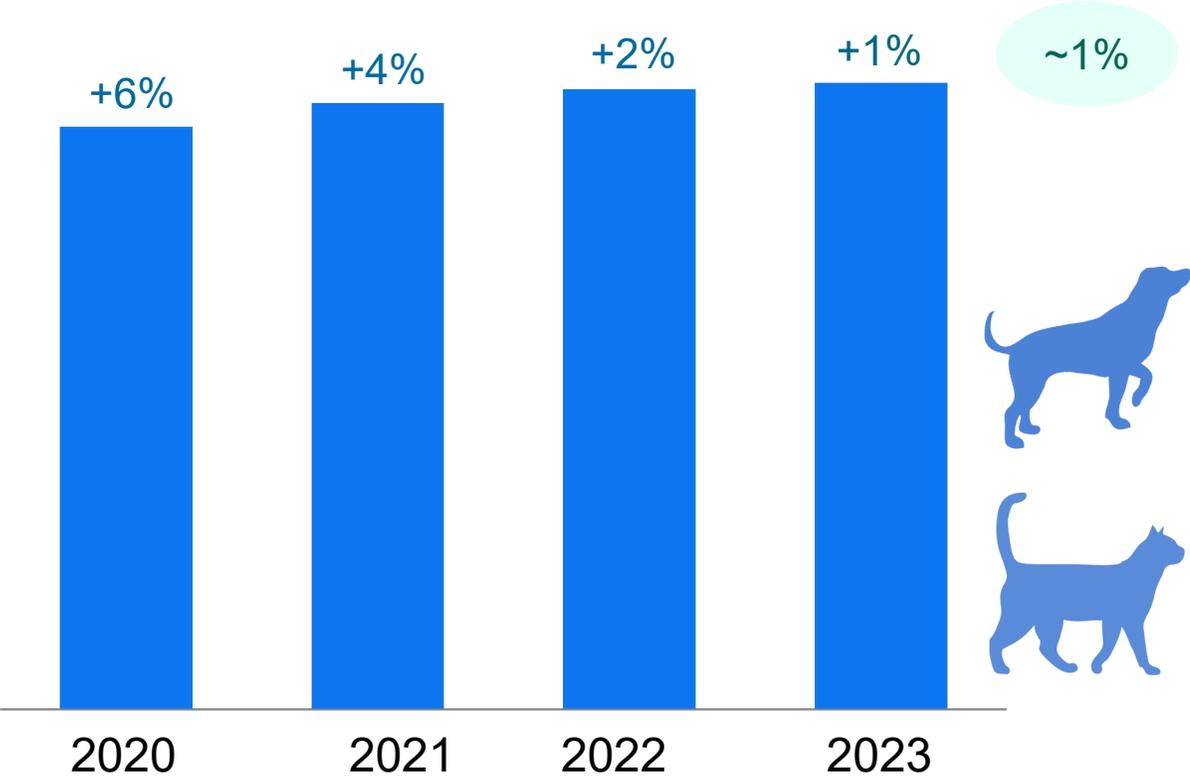
Source: Based on pet parent responses to IDEXX Pet Parent Survey, December 2023, n = 1,808 pet parents. \* Represents percentage of survey respondents to the question 'Have you made any of the following adjustments to your spending in the past year?' who did not select delay/skip veterinary visit for a sick pet. \*\* Q: We often have to make trade-offs in our lives to fit our personal budgets and lifestyles. You will now be presented with a number of screens, each with two options that would potentially address one of these financial trade-offs. On each screen, please select which one of the two money-saving options you would be more willing to take if you had to choose one.

# Step-up in Pet Population Drives Sector Volumes Higher



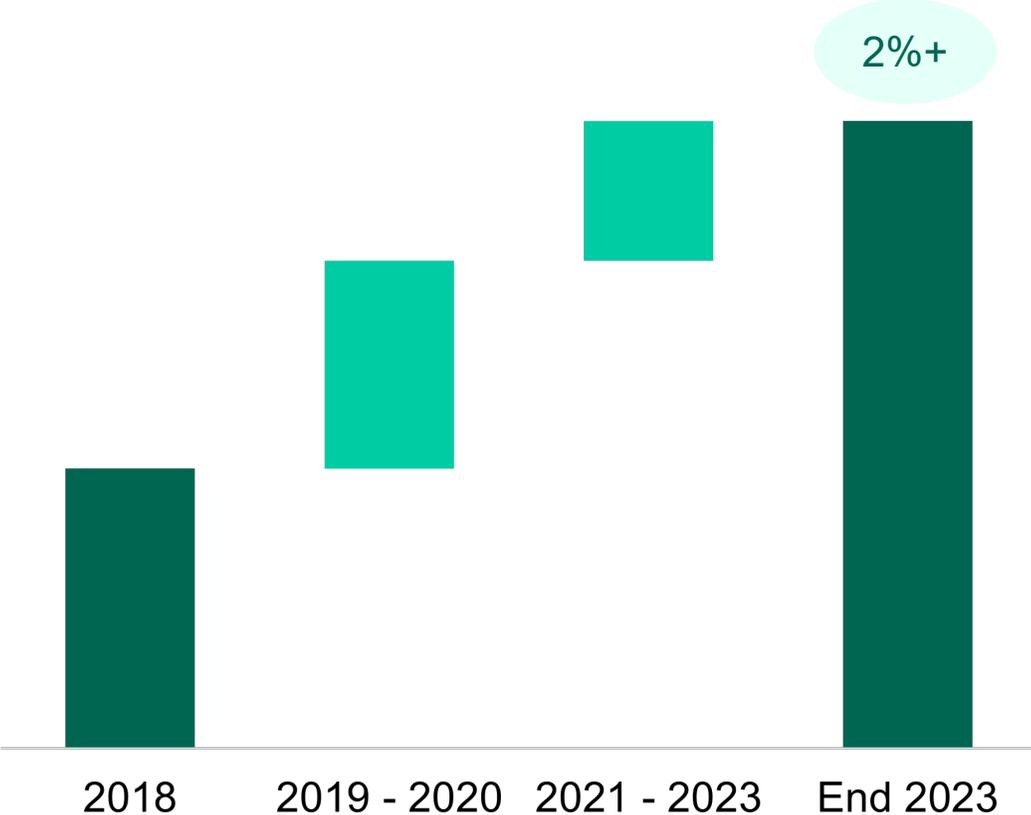
U.S. Pet Population and Annual Growth\*

Historic Trend



Average Annual Clinical Visits per Practice\*\*

CAGR 2018 - 2023



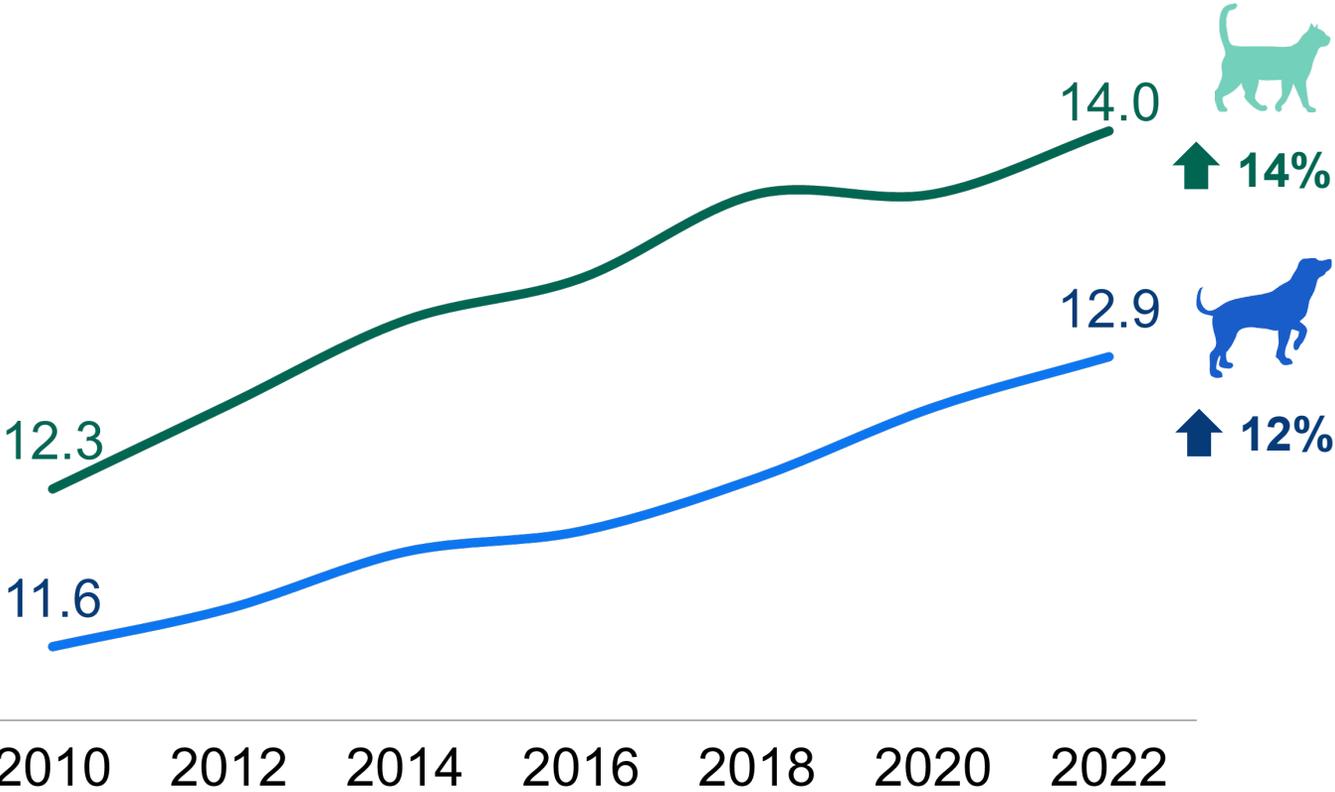
\* Based on modeling of dog and cat population growth leveraging analyses of multiple data sources.

\*\*Analysis based on IDEXX Practice Intelligence data (n = ~8,500 practices), weighted to be representative of the U.S based on practice size and region.

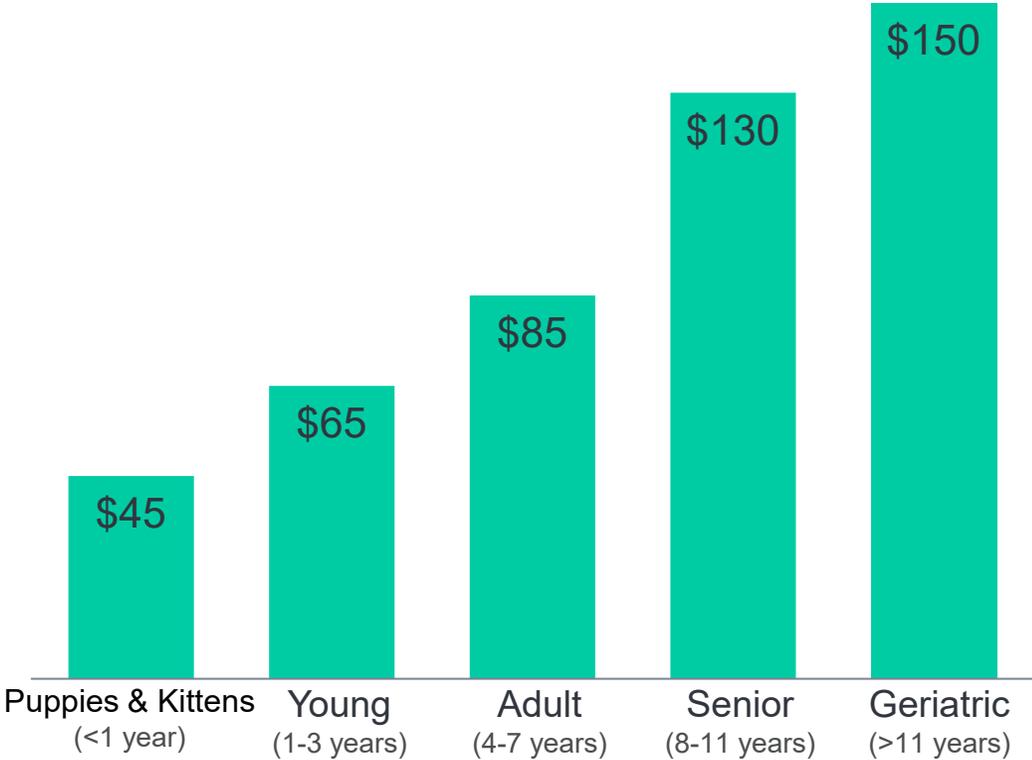
# Pets are Living Longer and Diagnostic Intensity Increases As They Age



Average Patient Lifespan  
2010 – 2022\*



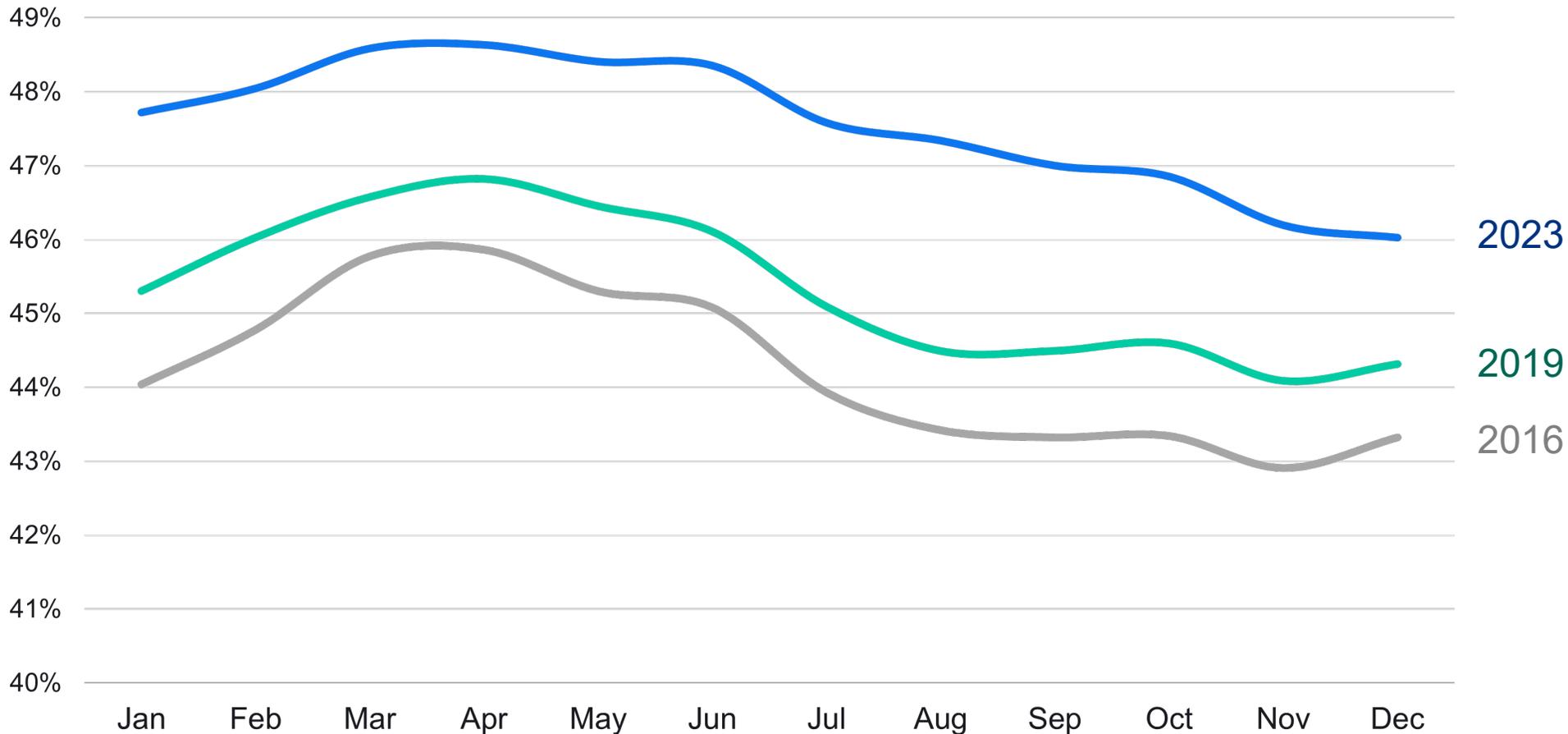
2022 Average **Diagnostic Revenue**  
**per Active Patient** by Age Segment\*\*



\* Based on an analysis of IDEXX Practice Intelligence data from 2.5 million canine and feline patients with recorded deaths from 2010 through 2022. Lifespan reflects median patient age at time of death. \*\* Analysis based on IDEXX Practice Intelligence data (n = ~8,750 practices), weighted to be representative of the U.S based on practice size and region. Estimates are for the overall number of active patients by age segment, not specifically for those receiving diagnostics. Revenue figures are rounded to the nearest \$5.

# Practices are Raising the Standard of Care Through Increased Diagnostic Utilization

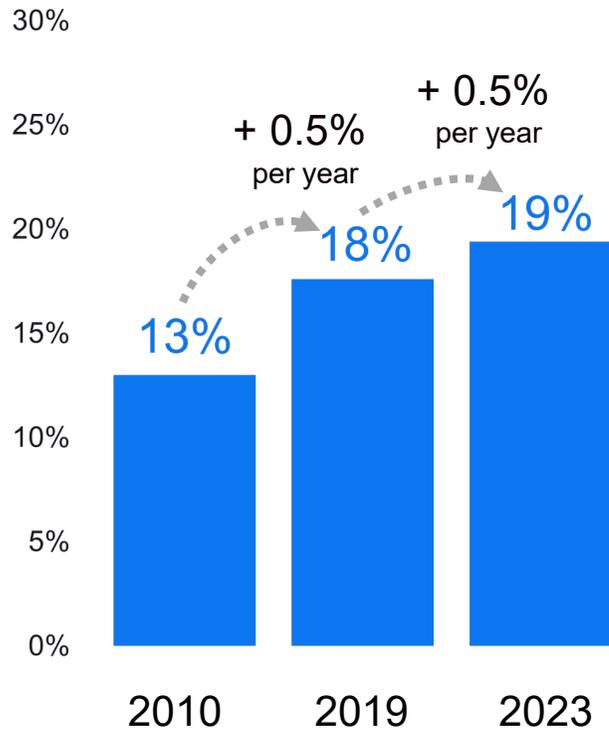
Average Percentage of Clinical Visits with Diagnostics\* (%)



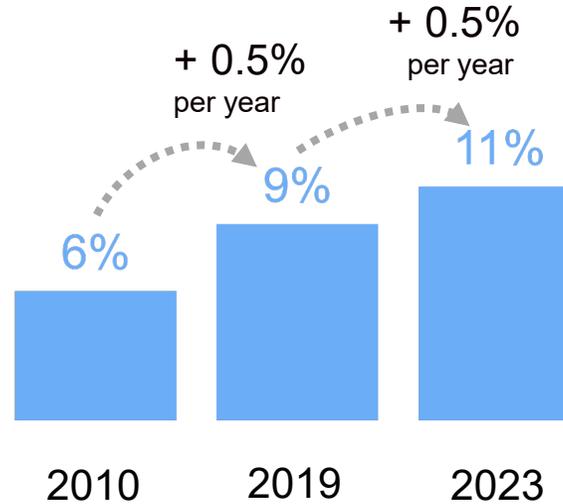
\* Includes all in-house and reference lab diagnostics, excluding radiography. For example, includes bloodwork, urinalysis, fecal testing, microscopy.

# Bloodwork Testing Utilization Continues to Increase

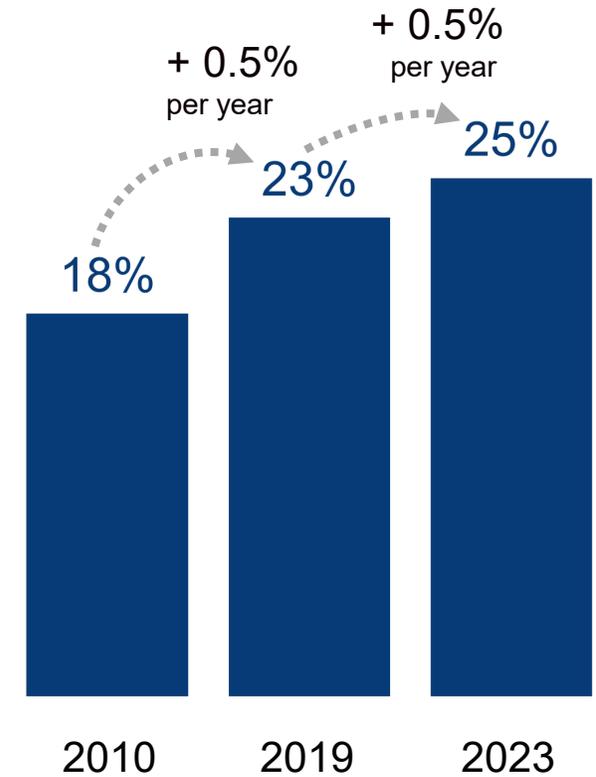
% of U.S. Clinical Visits including Bloodwork



% of U.S. Wellness Clinical Visits including Bloodwork



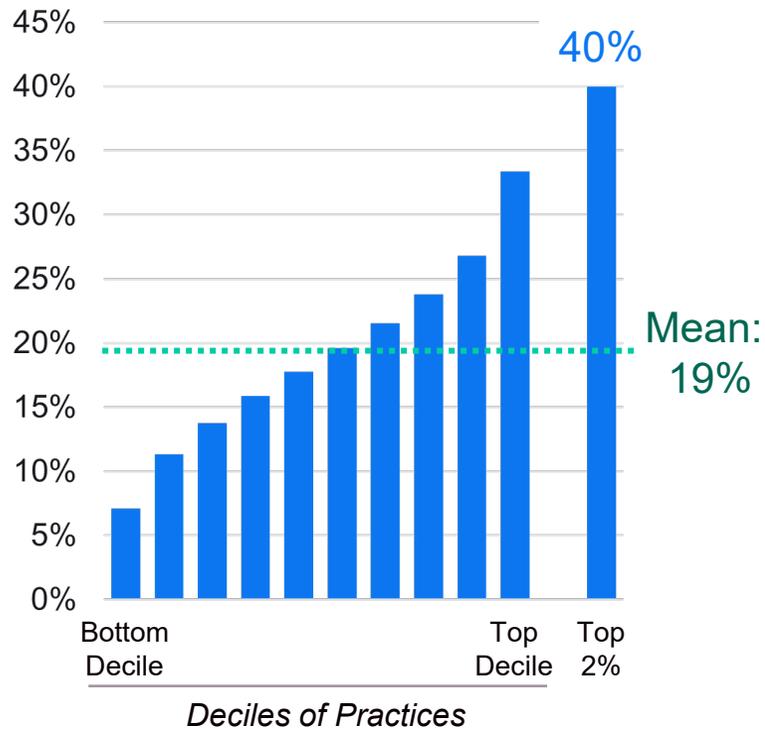
% of U.S. Non-wellness Clinical Visits including Bloodwork



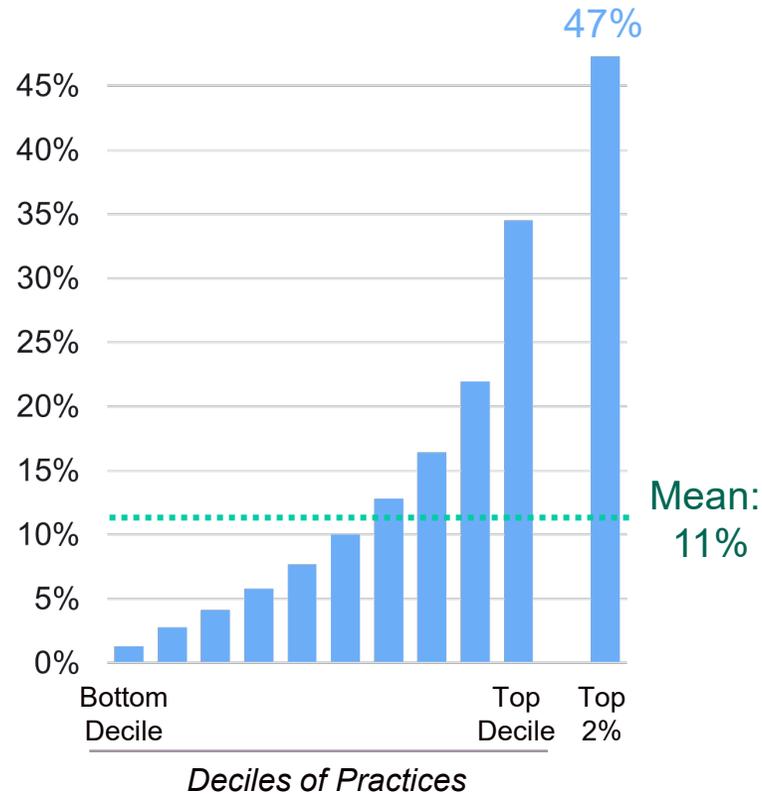
Source: Based on an analysis of IDEXX Practice Intelligence data from ~2,100 to 5,200 practices. Bloodwork includes chemistry and / or hematology testing. 'Clinical visits' are those where the reason for visit involves an interaction between a veterinary clinician and a pet, including wellness and non-wellness visit types. Percentages rounded to the nearest 1% and average annual changes rounded to nearest 0.5%.

# Significant Range of Diagnostic Use Points to Long-term Growth Opportunity

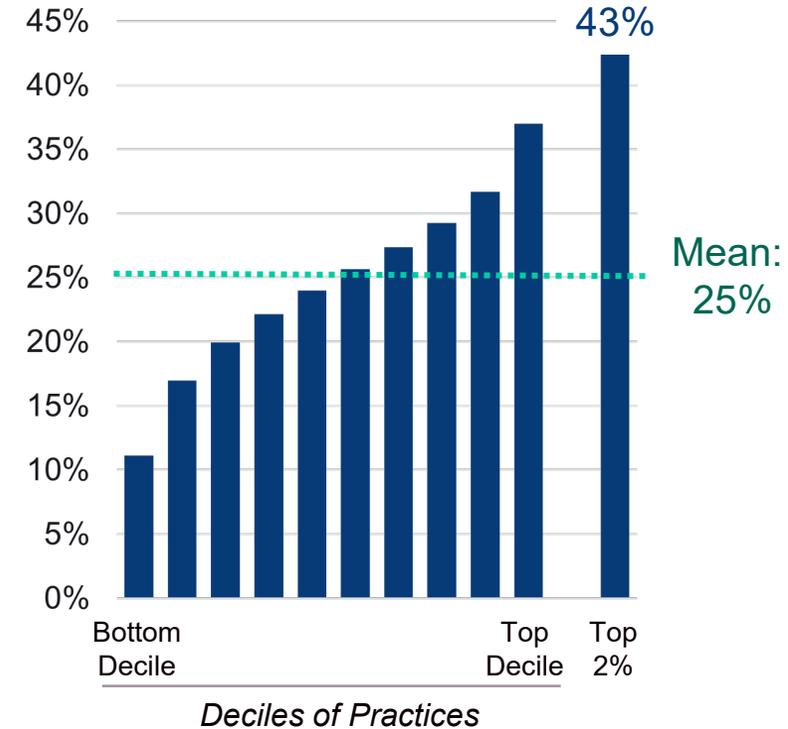
**% of 2023 Clinical Visits including Bloodwork**



**% of 2023 Wellness Clinical Visits including Bloodwork**



**% of 2023 Non-wellness Clinical Visits including Bloodwork**

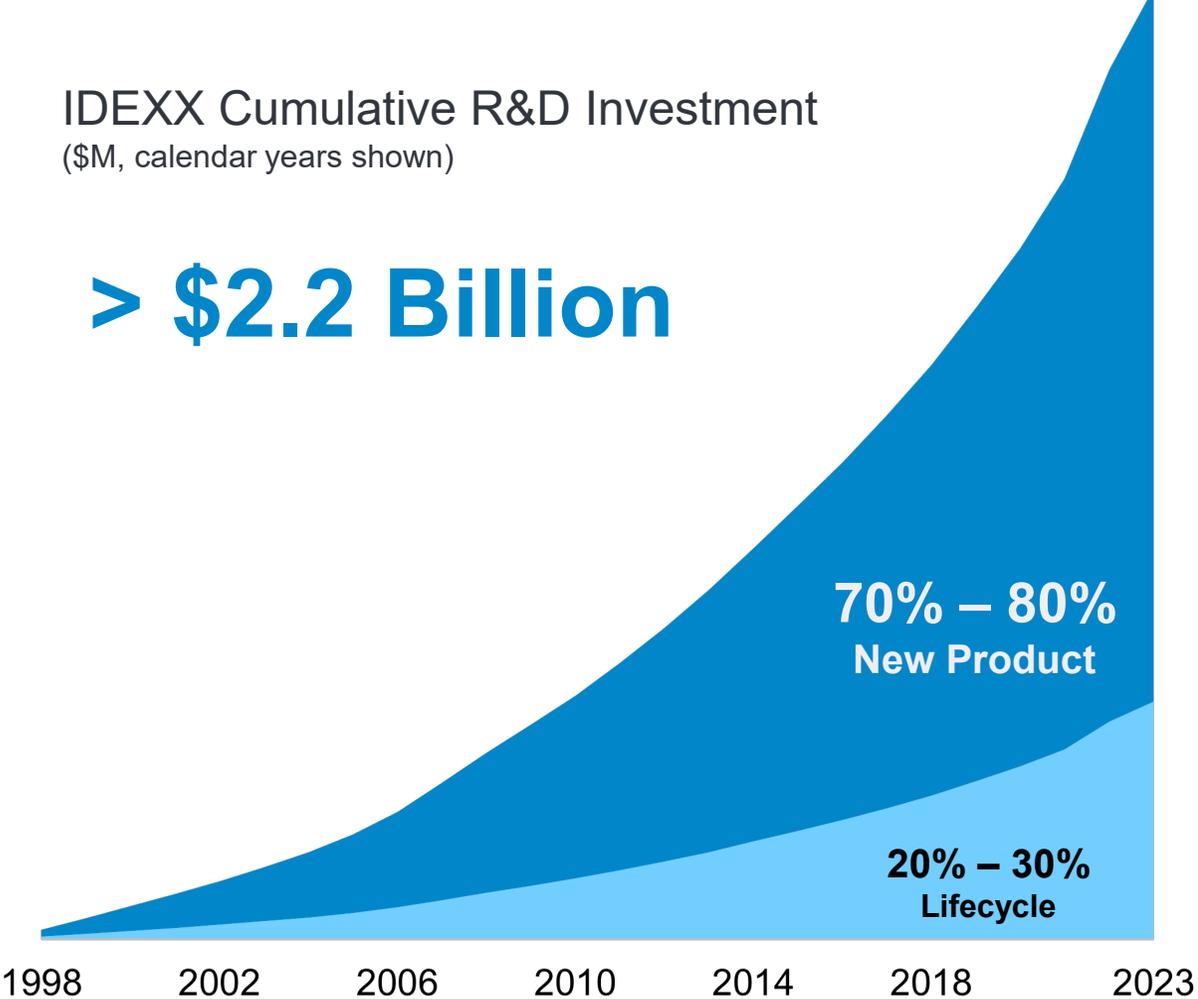


Source: Based on analysis of IDEXX Practice Intelligence data (n = ~5,300 practices). Bloodwork includes chemistry and / or hematology testing. 'Clinical visits' are those where the reason for visit involves an interaction between a veterinary clinician and a pet, including wellness and non-wellness visit types.

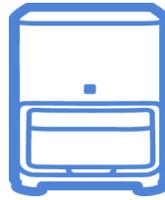
# IDEXX Innovation has Driven Global Companion Animal Sector Development

IDEXX Cumulative R&D Investment  
(\$M, calendar years shown)

> **\$2.2 Billion**



*Instrument  
Platform  
Development*



40%

*Differentiated  
Assay  
Development*



30%

*Customer-facing  
Software, Data  
and Connectivity*



30%



# Driving Reference Laboratory Quality Insights at Point of Care



**Technology  
for Life**

**2014**



Catalyst One

**Trusted Accuracy**  
Reference lab quality

**2016**



SediVue Dx

**Ease of Use**  
Intuitive, load and go

**2020**



ProCytOne

**End-to-end Integration**  
Workflow optimization

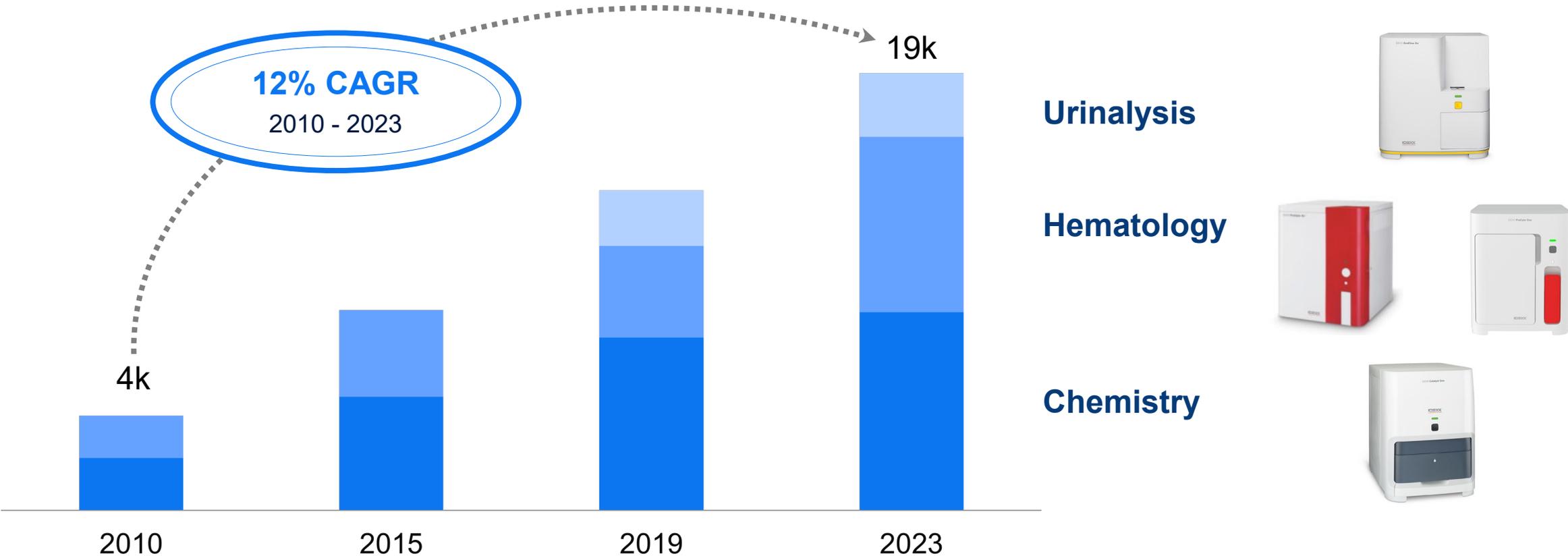
**2024**



IDEXX inVue Dx™

# IDEXX Innovation and Commercial Execution have Delivered Adoption of Point of Care Platforms

Worldwide Premium Instrument Placements\*



\* Premium chemistry includes Catalyst Dx® Chemistry Analyzer and Catalyst One® Chemistry Analyzer, premium hematology includes ProCyte Dx® Hematology Analyzer, ProCyte One® Hematology Analyzer and LaserCyte® Hematology Analyzer and urinalysis includes SediVue Dx® Urine Sediment Analyzer.

# Transforming Ear Cytology, Blood Morphology and More...

Results  
in 10 min



## Revolutionary Workflow

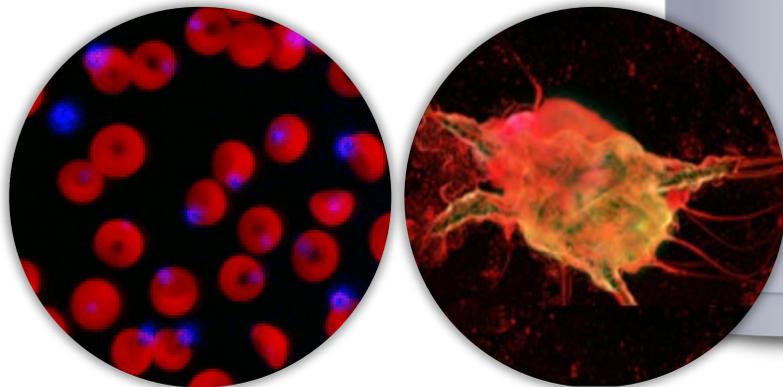


+ Load-and-go

## Expanded Insights

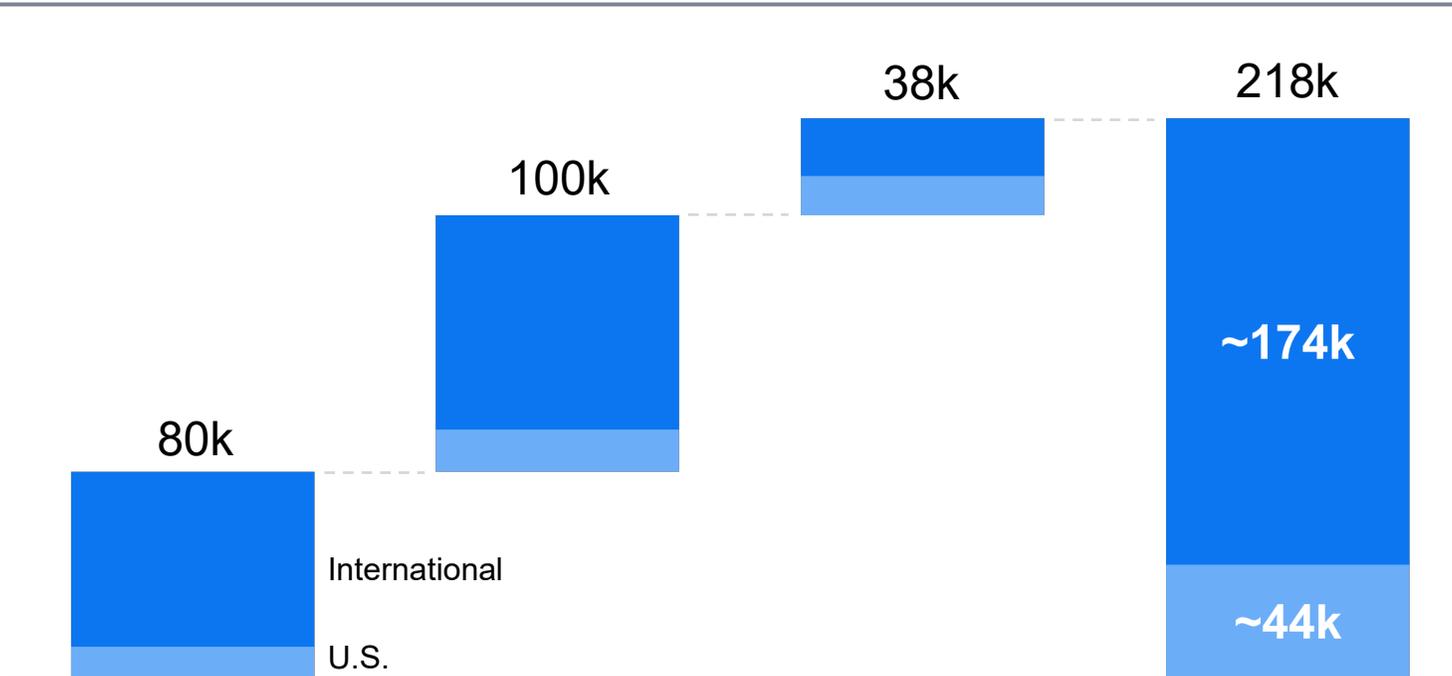


+ AI enabled



# IDEXX inVue Dx™ Expands Point of Care Opportunity

Global Incremental IDEXX Premium Instrument Placement Opportunity\*



+++++

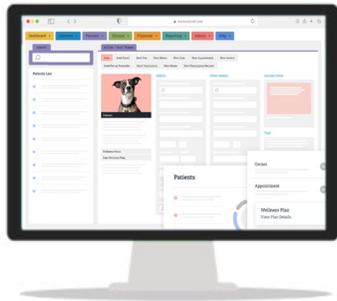
~20k  
over  
5-years

**IDEXX inVue Dx™ Placement Opportunities**

\* Placement opportunity figures as of August 2023. All figures are rounded. Catalyst includes Catalyst Dx® Chemistry Analyzer and Catalyst One® Chemistry Analyzer installs, ProCyte reflects premium hematology analyzers including ProCyte Dx® Hematology Analyzer, ProCyte One® Hematology Analyzer and LaserCyte® Hematology Analyzer installs and SediVue represents SediVue Dx® Urine Sediment Analyzer installs. Excludes practices too small to be likely candidates for chemistry analyzer placement at this time. Second placements are excluded.

# IDEXX Veterinary Software has Attractive Growth Opportunity

## IDEXX Cloud-enabled Practice Management Solutions



### ezyVet®

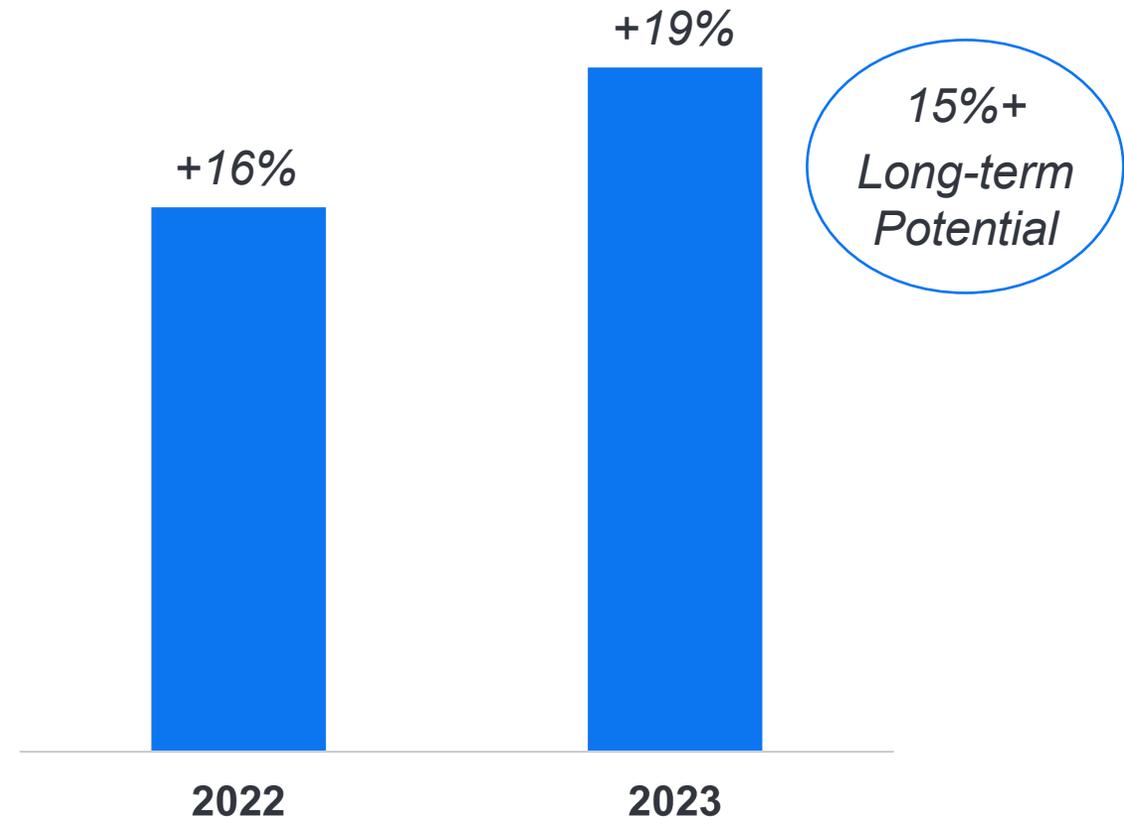
Flagship full-featured cloud platform with deeply integrated workflow and enterprise capabilities



### IDEXX Neo®

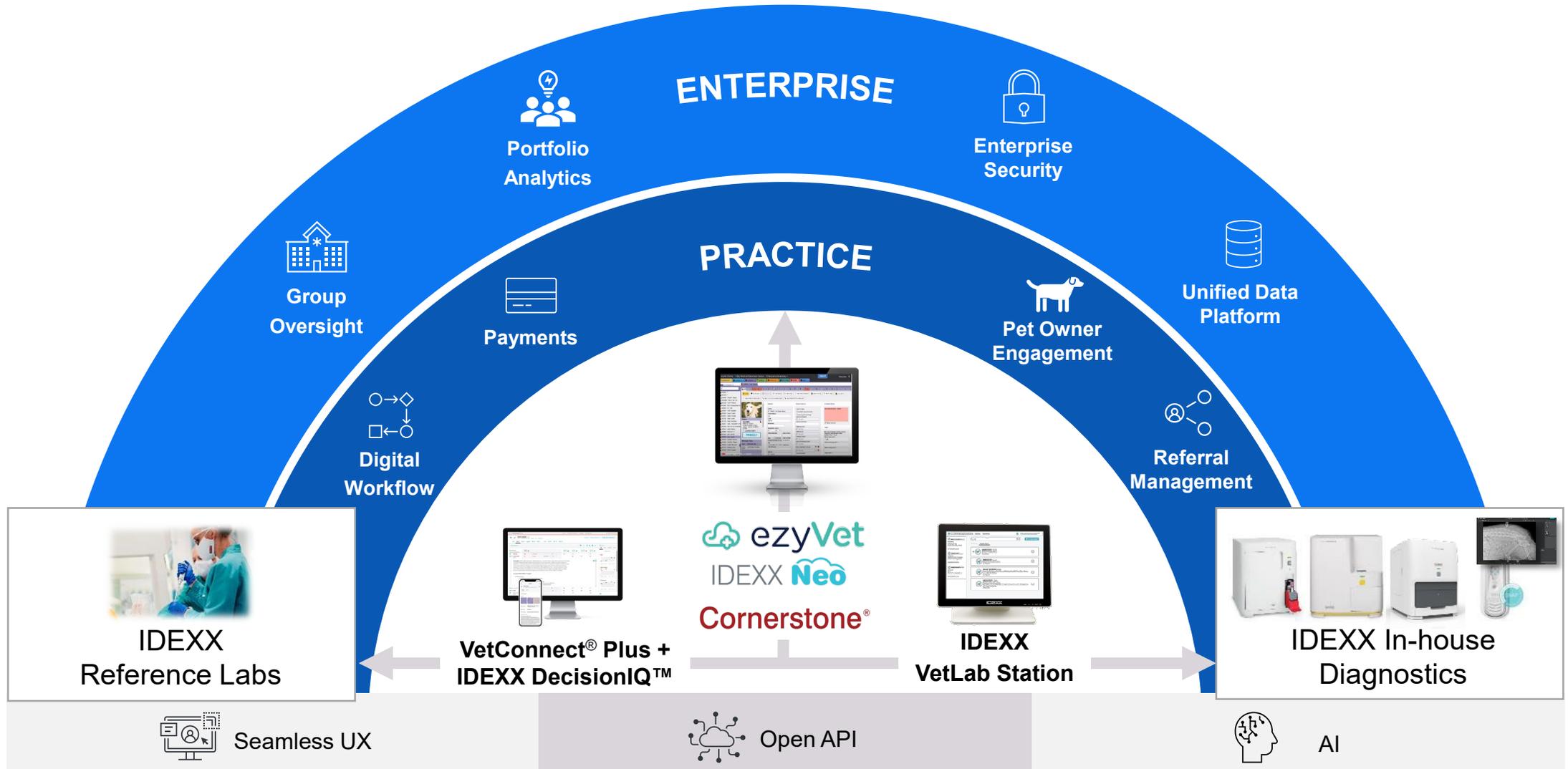
Brilliantly simple cloud platform highly tuned for smaller / fresh start practices

## IDEXX Veterinary Software Recurring Revenue Organic Growth<sup>\*,3</sup>

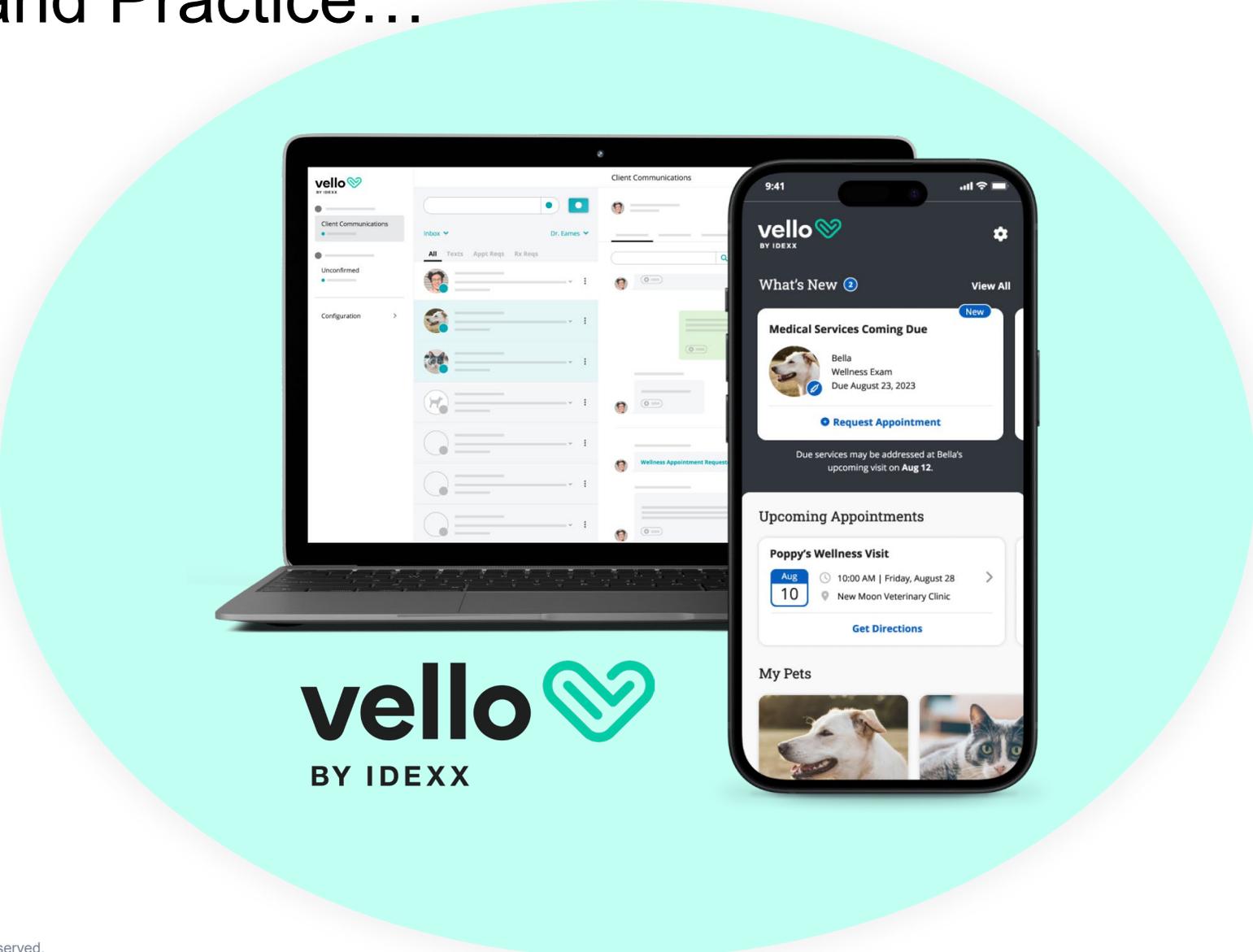


\* Veterinary Software, Services and Diagnostic Imaging System recurring revenue growth. <sup>3</sup> Non-GAAP financial measure, please refer to Appendix for descriptive footnotes.

# IDEXX Software Offering Addresses Key Practice Needs

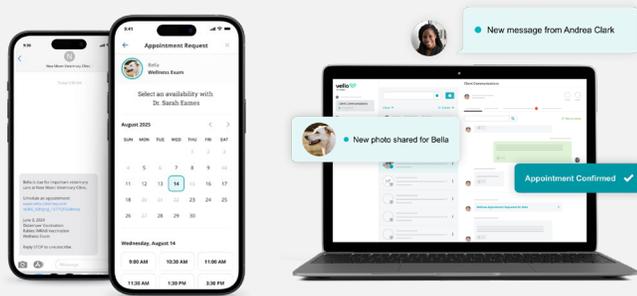


# Vello™ Enables Digital Communication Between the Pet Owner and Practice...



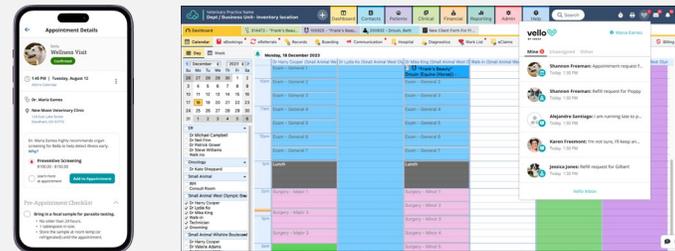
# ...while Driving Engagement and Efficiency Through All Phases of the Patient Visit

## Before the visit ...



- Online appointment scheduling
- Automated appointment reminders and pre-appointment instructions

## ...during the visit...



- Automated prompts to address **key conversation topics** with pet owners
- Patient records and communication logs **integrated with IDEXX Practice Management Systems**

## ...post-visit.



- **2-way SMS** enables easy **client follow-up**
- **Downloadable medical records** and **online follow-up scheduling**

# Attractive Business Model and Strong IDEXX Execution have Delivered Exceptional Financial Results

IDEXX Long-term Financial Performance 2018 – 2023



Revenue

**+11%**

Organic Revenue CAGR<sup>2</sup>



Operating Margin

**+170 bps**

Average Annual Comparable Operating Margin Expansion<sup>\*,5</sup>



EPS

**+22%**

Average Annual Comparable EPS Growth<sup>\*,6</sup>

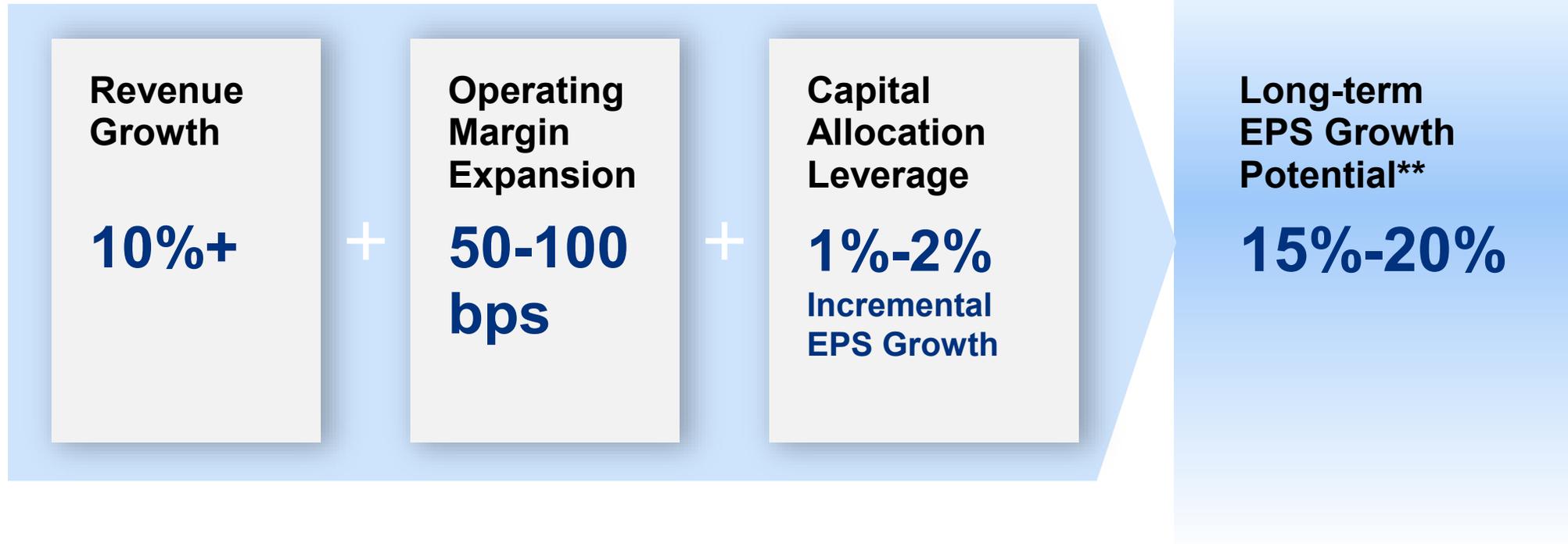
**ROIC<sup>7</sup> 47.5%** in 2023

<sup>2, 5, 6, 7</sup> Non-GAAP financial measure, please refer to Appendix for descriptive footnotes.

\* Includes positive impact from \$16M customer contract resolution in Q1'2023 which adds ~10 bps to average annual comparable operating margin expansion and ~100 bps to annual comparable EPS growth.

# Favorable Sector Trends and Focused Business Strategy Yield Strong Long-term Revenue and EPS Growth Potential

Long-term Financial Model\*  
(Average Annual Comparable Gains)



\* Long-term financial model excludes impacts from changes in foreign currency exchange rates and non-recurring or unusual items.

\*\* EPS growth potential outlook further excludes year-over-year changes in share-based compensation tax benefits.

# Appendix

# Footnotes

**<sup>1</sup> IDEXX Reportable Segment Revisions and Divested Revenues:** Prior to January 1, 2015, our Companion Animal Group (“CAG”) segment included herd testing diagnostic services processed within and managed by our CAG reference laboratories. We have transitioned the responsibility for these diagnostic services to our LPD segment to more effectively align our business with the nature and customers of these livestock services. Revenue and revenue growth calculations have been retrospectively revised to reflect this change in the composition of our reportable segments. The impact on CAG Diagnostics recurring revenue growth was not material.

**<sup>2</sup> Organic Revenue Growth and CAGR:** Organic revenue growth and CAGR are non-GAAP financial measures and represent the percentage change in revenue for a measurement period, as compared to the prior year period(s), excluding the impact of changes in foreign currency exchange rates, certain business acquisitions, and divestitures. Management believes that reporting organic revenue growth and CAGR provides useful information to investors by facilitating easier comparisons of our revenue performance with prior and future periods and to the performance of our peers. Organic revenue growth and CAGR should be considered in addition to, and not as replacements of or superior measures to, revenue growth and CAGR reported in accordance with GAAP. The percentage change in revenue resulting from acquisitions represents revenues during the current year period, limited to the initial 12 months from the date of the acquisition, that are directly attributable to business acquisitions. Effective January 1, 2018, we exclude only acquisitions that are considered to be a business (consistent with ASU 2017-01, *Business Combinations: (Topic 805) Clarifying the Definition of a Business*) from organic revenue growth. For more detail on what acquisitions we consider to be a business in computing organic growth, please see *Management’s Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations and Trends – Non-GAAP Financial Measures*, contained in the *Company’s Annual Report on Form 10-K* for the year ended December 31, 2023, available at [www.idexx.com/investors](http://www.idexx.com/investors). See tables included in Footnote 3, *Normalized Organic Revenue Growth* for reconciliation of Total Company, Worldwide CAG Diagnostics Recurring, and Veterinary Software, Services and Diagnostic Imaging Systems organic revenue growth to reported growth.

**<sup>3</sup> Normalized Organic Revenue Growth:** Normalized organic revenue growth and CAGR are non-GAAP financial measures that represent organic revenue growth and CAGR as defined in note 2 above, normalized for the effects of our transition to an all-direct sales strategy in the U.S., which was effected fully by January 1, 2015, on revenue growth for the relevant period(s) in 2014 and 2015. Management believes that reporting normalized organic revenue growth and CAGR is a more useful way to measure business performance because it enables better period-over-period comparisons of the fundamental financial results by excluding one-time transitional growth rate impacts. Normalized organic revenue growth and CAGR should be considered in addition to, and not as replacements of or superior measures to, revenue growth or CAGR reported in accordance with GAAP. As part of our transition to an all-direct sales strategy in the U.S. in 2015, we began to capture additional revenue that was previously earned by our distribution partners, net of other changes related to this all-direct strategy, such as free next-day shipping and a new returns policy for expired product. We refer to this net additional revenue as distributor margin capture, and 2015 revenue has been adjusted ~\$40 million to exclude this impact. Amounts presented may not recalculate due to rounding.

	CAGR			
Total Company	2010-2015	2015-2019	2018-2023	2019-2023
Reported Growth	8%	11%	11%	11%
Currency Impact <sup>4</sup>	-1%	0%	-1%	-1%
Acquisition Impact	0%	0%	0%	0%
<b>Organic Revenue Growth</b>	<b>9%</b>	<b>11%</b>	<b>11%</b>	<b>12%</b>
Margin Capture Adjustment	1%			
<b>Normalized Organic Revenue Growth</b>	<b>8%</b>	<b>11%</b>	<b>11%</b>	<b>12%</b>

	CAGR		
Worldwide CAG Diagnostics Recurring	2010-2015	2015-2019	2019-2023
Reported Growth	9%	12%	13%
Currency Impact <sup>4</sup>	-1%	0%	-1%
Acquisition Impact	0%	0%	0%
<b>Organic Revenue Growth</b>	<b>10%</b>	<b>13%</b>	<b>13%</b>
Margin Capture Adjustment	1%		
<b>Normalized Organic Revenue Growth</b>	<b>9%</b>	<b>13%</b>	<b>13%</b>

	CAGR
U.S. CAG Diagnostics Recurring	2018-2023
Reported Growth	12.6%
Acquisition Impact	0%
<b>Organic Revenue Growth</b>	<b>12.6%</b>

VSS & DI Recurring	2022	2023
Reported Growth	23%	19%
Currency Impact <sup>4</sup>	-1%	0%
Acquisition Impact	8%	0%
<b>Organic Revenue Growth</b>	<b>16%</b>	<b>19%</b>

# Footnotes

**<sup>4</sup> Constant Currency:** Adjustments to GAAP financial measures for “currency impacts” or “Changes from currency” are non-GAAP financial measures which exclude the impact of changes in foreign currency exchange rates and are consistent with how management evaluates our performance and comparisons with prior and future periods. We estimated the net impacts of currency on our revenue, gross profit, operating profit, and EPS results by restating results to the average exchange rates or exchange rate assumptions for the comparative period, which includes adjusting for the estimated impacts of foreign currency hedging transactions and certain impacts on our effective tax rates. Because currency impacts are calculated using current comparative period rates they may vary from previously reported amounts. See Footnote 2, *Organic Revenue Growth and CAGR*, and Footnote 3, *Normalized Organic Revenue Growth and CAGR* for further details of currency impacts on revenue growth. See Footnote 5, *Comparable Operating Margin Gain (or Expansion)*, and Footnote 6, *Comparable EPS Growth*, for further details of currency impacts on operating margin gain and EPS growth, respectively.

**<sup>5</sup> Comparable Operating Margin Gain (or Expansion):** Comparable operating margin gain (or expansion) is a non-GAAP financial measure and excludes the impact of changes in foreign currency exchange rates and non-recurring or unusual items (if any). Comparable Operating Margin Gain (or Expansion) for a measurement period is calculated using the measurement period’s comparable Operating Margin and the prior base period’s comparable Operating Margin excluding change from currency. Management believes that reporting comparable operating margin gain (or expansion) provides useful information to investors because it enables better period-over-period comparisons of the fundamental financial results by excluding items that vary independent of performance and provides greater transparency to investors regarding key metrics used by management. Comparable operating margin gain (or expansion) should be considered in addition to, and not as a replacement of or superior measure to, operating margin gain reported in accordance with GAAP. The reconciliation of comparable operating margin gain (or expansion) is provided in the table below. Amounts presented may not recalculate due to rounding.

	For the Year Ended December 31,						2018 - 2013 Average Annual
	2018	2019	2020	2021	2022	2023	
<b>Operating Margin (as reported)</b>	22.2%	23.0%	25.7%	29.0%	26.7%	30.0%	<b>160 bps</b>
Comparability Adjustments (bps):							
<i>Change from currency</i>	(10)	10	(30)	10	10	(60)	
<i>CEO transition charges</i>		(60)					
<i>Ongoing litigation matter</i>			(100)				
<b>Comparable operating margin</b>	22.3%	23.4%	27.0%	28.8%	26.6%	30.6%	
<b>Comparable operating margin gains</b>		<b>120 bps</b>	<b>340 bps</b>	<b>220 bps</b>	<b>-240 bps</b>	<b>390 bps</b>	<b>170 bps</b>

# Footnotes

<sup>6</sup> **Comparable EPS Growth:** Comparable EPS growth is a non-GAAP financial measure and represents the percentage change in earnings per share (diluted) ("EPS") for a measurement period, as compared to the prior base period, net of the impact of changes in foreign currency exchange rates from the prior base period and excluding the tax benefits of share-based compensation activity under ASU 2016-09, *Compensation-Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*, and non-recurring or unusual items. Comparable EPS growth for a measurement period is calculated using the measurement period's comparable EPS and the prior base period's comparable EPS excluding change from currency. Management believes comparable EPS growth is a more useful way to measure the Company's business performance than EPS growth because it enables better period-over-period comparisons of the fundamental financial results by excluding items that vary independent of performance and provide greater transparency to investors regarding a key metric used by management. Comparable EPS growth should be considered in addition to, and not as a replacement of or a superior measure to, EPS growth reported in accordance with GAAP. The reconciliation of this non-GAAP financial measure is provided in the table below. Amounts presented may not recalculate due to rounding.

	For the Year Ended December 31,						2018 - 2023 Average Annual
	2018	2019	2020	2021	2022	2023	
<i>EPS growth (as reported)</i>	45%	15%	37%	28%	-7%	25%	20%
Earnings per share (diluted)	\$ 4.26	\$ 4.89	\$ 6.71	\$ 8.60	\$ 8.03	\$ 10.06	
<i>Change from currency</i>	0.01	(0.05)	(0.06)	0.16	(0.22)	(0.24)	
<i>Share-based compensation activity</i>	0.24	0.22	0.45	0.38	0.15	0.16	
<i>CEO transition charges</i>		(0.14)					
<i>Switzerland Tax Reform</i>			0.25				
<i>Ongoing litigation matter</i>			(0.24)				
Comparable EPS	\$ 4.01	\$ 4.86	\$ 6.31	\$ 8.06	\$ 8.10	\$ 10.14	
<b>Comparable EPS Growth</b>		<b>21%</b>	<b>31%</b>	<b>29%</b>	<b>-1%</b>	<b>29%</b>	<b>22%</b>

# Footnotes

**<sup>7</sup> After-Tax Return on Invested Capital, Excluding Cash and Investments (“ROIC”):** After-tax return on invested capital, excluding cash and investments, is a non-GAAP financial measure that represents our after-tax income from operations, divided by our average invested capital, excluding cash and investments, using beginning and ending balance sheet values. After-tax return on invested capital, excluding cash and investments, and after-tax income from operations and average invested capital, excluding cash and investments, are not measures of financial performance under GAAP and should be considered in addition to, and not as replacements of or superior measures to, return on assets, net income, total assets or other financial measures reported in accordance with GAAP. Management believes that reporting after-tax return on invested capital, excluding cash and investments, provides useful information to investors for evaluating the efficiency and effectiveness of our use of capital. The reconciliation of this non-GAAP financial measure is as follows:

	For the Year Ended December 31,	
Numerator (amounts in millions)	2022	2023
Income from operations (as reported)		\$ 1,097
After-tax income from operations *		\$ 874
	As of December 13,	
Denominator (dollar amounts in millions)	2022	2023
Total shareholders' equity	\$ 609	\$ 1,485
<i>Credit facility</i>	\$ 579	\$ 250
<i>Long-term debt</i>	\$ 769	\$ 698
<i>Deferred income tax assets</i>	\$ (55)	\$ (107)
<i>Deferred income tax liabilities</i>	\$ 8	\$ 7
Total invested capital	\$ 1,910	\$ 2,332
<i>Less cash &amp; cash equivalents</i>	\$ 113	\$ 454
Total invested capital, excluding cash and investments	\$ 1,797	\$ 1,878
Average invested capital, excluding cash and investments **		\$ 1,838
<b>After-tax return on invested capital, excluding cash and investments</b>		<b>47.5%</b>

\* After-tax income from operations represents income from operations reduced by our reported effective tax rate.

\*\* Average invested capital, excluding cash and investments, represents the average of the amount of total invested capital, excluding cash and investments.